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TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1887.

No. ~~341.~~ 76

ALFRED V. RYDER, APPELLANT,

vs.

ROBERT S. HOLT, LEONARD J. BUSBY AND CHARLES W. McCRUTCHEN.

APPEAL FROM THE CIRCUIT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK.

FILED OCTOBER 7, 1885.

SUPREME COURT OF THE UNITED STATES.

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ALFRED V. RYDER, APPELLANT,

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INDEX.

	Original.	Print.
Subpœna	1	1
Marshal's return	2	1
Bill of complaint	3	1
Answer	14	7
Replication	23	9
Decree	26	9
Stipulation as to record	30	10
Petition of appeal	32	11
Allowance of appeal	39	13
Bond	41	13
Citation	43	14
Proof of service of citation	44	14
Clerk's certificate	45	15

JUDD & DETWEILER, PRINTERS, WASHINGTON, DECEMBER 6, 1887.

1 The President of the United States of America to Alfred V. [L. S.] Ryder, Greeting:

You are hereby commanded that you personally appear before the judges of the circuit court of the United States of America for the southern district of New York, in the second circuit court, in equity, on the first Monday of September, A. D. 1882, wherever the said court shall then be, to answer a bill of complaint exhibited against you in the said court by Robert S. Holt, Leonard J. Busby, and Charles W. McCutchen, and do further and receive what the said court shall have considered in that behalf; and this you are not to omit under the penalty on you of two hundred and fifty dollars.

Witness Honorable Morrison R. Waite, Chief Justice of the Supreme Court of the United States, at the city of New York, on the seventh day of August, in the year one thousand eight hundred and eighty-two, and of the Independence of the United States of America the one hundred and seventh.

JOSEPH M. DEUEL, *Clerk.*

ROWLAND COX,
Compl'ts' Sol'r.

The defendant is required to enter appearance in the above cause in the clerk's office of this court on or before the first Monday of September, 1882, or the bill will be taken *pro confesso* against him.

J. M. D., *Clerk.*

2 I hereby certify that on the 9th day of August, 1882, at the city of New York, in my district, I personally served the within subpœna upon the within-named Alfred V. Ryder by exhibiting to him the within original and at the same time leaving with him a copy thereof, dated Nov. 15th, 1882.

HENRY E. KNOX,
U. S. Marshal S. D. N. Y.,
L. H.

[Endorsed:] U. S. circuit court. Filed Nov. 15, 1882. Joseph M. Deuel, clerk.

3 *Bill of Complaint.*

Circuit Court of the United States for the Southern District of New York.

ROBERT S. HOLT *et al. vs.* ALFRED V. RYDER.

S. St. J. McCutchen, solicitor for complainant, 170 Broadway, N. Y.; Rowland Cox, of counsel.

4 Circuit Court of the United States for the Southern District of New York.

To the honorable the judges of the circuit court of the United States for the southern district of New York:

Robert S. Holt, of the city, county, and State of New York, Leonard J. Busby, of the city of Brooklyn, county of Kings, and State of New York, and Charles W. McCutchen, of the township of North Plainfield, county of Somerset, and State of New Jersey, who are partners engaged in business at the city of New York under the firm name of Holt and Company, bring this their bill of complaint against Alfred V. Rider, doing business at the city of New York under the name of A. V. Rider.

And thereupon your orators complain and say that your orators are dealers in and buy and sell flour and grain; that they are copartners in such business and transact their said business under the firm or copartnership name of Holt and Company; that said Robert S. Holt, one of your orators, has been engaged in such business of buying and selling flour and grain for more than thirty-five
5 years at the city of New York, and for more than twenty-five years last past has been at the head, as senior or leading partner, of the firm of Holt and Company; that the said firm of Holt and Company has from time to time been changed or dissolved by the retirement from the then existing firm of various persons as members thereof, but in each such instance a new firm or copartnership has been immediately formed, which said new firm has thereupon succeeded to the firm name, good will, brands, trade-marks, and other assets of such preceding firm, so that there has been no interruption of the name and business identity of Holt and Company for said period of twenty-five years and over, and for such period the said firm name has been well known in the business community, and has had at all times and still has a high reputation in such trade and with the public in the city of New York and elsewhere, and your orators aver that they are now legally seized of the good will and all the trade-marks ever at any time used by the firm of Holt and Company, and especially the trade-mark hereinafter mentioned.

Your orators further show unto your honors that during or about the year 1861 the said firm of Holt and Company selected, adopted, and appropriated to their exclusive use the arbitrarily selected and fanciful words or term "La Favorita" as a brand or trade-mark to distinguish and identify a certain flour of their, the said Holt and Company's, selection and preparation and sold by such firm; that such words or term "La Favorita" as a brand or trade-mark for flour was first used by said firm of Holt and Company, and had never, prior to its adoption and use by them, as your orators are informed and verily believe, been used upon or in connection with or in designation of flour, and that your orators, as successors to said prior firms of Holt and Company, are now, and your orators and such preceding firms of Holt and Company have always been, enti-

tled to use it as a brand or trade-mark as applied to flour, and that no one but your orators and their predecessors in such firm of Holt and Company has ever at any time had a right to use,
6 and no one but your orators now have a right to use the same as a brand or trade-mark as applied to flour, or any words or designations substantially like it, and that since the time of the adoption and first use of said trade-mark, to wit, since the year 1861, the same has been continuously used and applied to flour by said firm of Holt and Company until the present time.

Your orators further show that said firms of Holt and Company have at all times exercised great care in the selection, packing, and preparation of the flour packed and sold by them under this brand, "La Favorita," and have carefully advertised the same, and by their care and efforts have extensively introduced the same to the trade, and the same has come to be widely known in and desired by the trade in the United States and elsewhere, and that the sale of the flour so stamped or marked has been and is now an important part of your orators' business and therefrom large profits have accrued to your orators, and there has been and is now a settled and permanent demand for your orators' said flour so by them marked and branded as aforesaid.

Your orators further show that the manner in which such brand has been and is used by them consists in stamping or stenciling the same upon the heads of barrels, half barrels, and quarter barrels of such flour and upon the sides of bags of such flour, the words "La Favorita" being stenciled in large and conspicuous letters and being the prominent feature of the brand or mark, and with such words there are generally stenciled, in smaller and less conspicuous letters, the name of said firm, Holt and Company, and words or marks indicating the quality and quantity of flour contained in such bag, barrel, or other package, but your orators claim that the essential feature of their said lawful trade-mark is the said words or term "La Favorita," and may be exclusively used by them as a trade-
7 mark as applied to flour in any form, and whether associated with other words or marks or not.

And your orators further show that prior to the 28th day of February, A. D. 1882, to wit, on the 17th day of October, 1881, your orators being entitled to the exclusive use of said trade-mark and being citizens of the United States, they complied in all respects and particulars with the requirements of the statute of the United States, to wit, the act of Congress entitled "An act to authorize the registration of trade-marks and protect the same," approved March 3, 1881—

First. By causing to be recorded in the Patent Office a statement specifying the name, domicile, location, and citizenship of the party applying; the class of merchandise and the particular description of goods comprised in such class to which the particular trade-mark had been appropriated; a description of the trade-mark itself, with *fac-similies* thereof, and a statement of the mode in which the same had been and was applied and affixed to goods, and the length of time during which the trade-mark had been used.

Second. By paying into the treasury of the United States the sum of

twenty-five dollars and complying with such regulations as had been prescribed by the Commissioner of Patents; that the said application so made by your orators was accompanied by a written declaration, verified by a member of the firm, to the effect that your orators had at the time a right to the use of the trade-mark sought to be registered, and that no other person, firm, or corporation had the right to such use either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that such trade-mark was and had been used in commerce with foreign nations, and that the description and *fac-similies* presented for registry truly represented the trade-mark sought to be registered.

And thereupon the said lawful trade-mark was, on the 28th day of February, 1882, duly registered in the said Patent Office, and a due and formal certificate of registration, bearing date on said day, signed
8 by E. M. Marble, Commissioner of Patents, and sealed with the seal of the Department of the Interior of the United States, was issued and delivered to your orators, whereby and by a compliance with the laws of the United States in the premises there was confirmed, recognized, and secured to your orators the exclusive right to use within the United States the said lawful trade-mark for the period of thirty years from said 28th day of February, 1882, as by reference to said certificate of registration, declaration, and other papers will more fully and at large appear and to which your orators beg leave to refer.

Your orators further show that the said respondent, Alfred V. Ryder, is engaged in business as a commission merchant and dealer in flour and grain at the city of New York, in the said southern district of New York, and has long been cognizant of the high reputation of your orators' flour aforesaid and of the said trade-mark lawfully applied and used to distinguish and identify the same; that, being so cognizant and well knowing the rights of your orators in the premises, in order to injure your orators by diverting the profits in the sale of the genuine article and otherwise, the said respondent has at divers times, both prior to and since the 28th day of February, 1882, and since your orators acquired the exclusive right to use said trade-mark as aforesaid, at the city of New York, in said southern district of New York, wilfully and fraudulently prepared, offered, and sold flour of like character and appearance and put up in packages like your orators', to which have been attached and ap-
9 plied marks and brands embodying in every instance a reproduction, counterfeit copy, and imitation of the aforesaid lawful trade-mark, to wit, the words "La Favorita," owned and used by your orators, as hereinbefore set forth, and has so offered and sold said packages of flour so put up in imitation of your orators' goods, and having applied and attached thereto said false and fraudulent marks and brands embodying in every instance said false and fraudulent reproduction and counterfeit of said lawful trade-mark, as and for the true and genuine flour prepared and sold by your orators, and by them alone, and this to your orators' great loss and injury, and although often requested to desist the said respondent refuses to do so—that is to say, the said respondent has, at the time

and place aforesaid, applied the words "La Favorita" to packages of flour not prepared or sold by or for your orators, and, having done so, has sold the flour thus falsely marked as the flour selected by your orators, and refuses to desist from so doing, to your orators' great loss and injury actually sustained.

Your orators charge that the said flour so fraudulently sold by the respondent as and for the flour of your orators as aforesaid has been of an inferior character, and has been sold at a price below the price of the genuine goods, thus damaging both your orators' reputation and amount of sales.

Your orators say that they cannot with certainty state the exact amount of profits diverted by the said respondent as aforesaid, nor can they correctly estimate the amount of damage and injury sustained by them by reason of the fraudulent acts complained of, but believe the same to be large, and charge that it amounts to the full sum of ten thousand dollars, and pray that the said respondent may full and true disclosures make as to the same, and may be decreed to account therefor in full, and otherwise to respond in damages as may appear to be equitable.

10 To the end, therefore, that your orators may obtain relief in the premises in this honorable court, where they can alone obtain relief, they humbly pray—

1. That said Alfred V. Ryder may be made respondent to this bill and compelled to answer each and every allegation therein contained under oath the same and as fully as if directly interrogated as to each.

2. That the said respondent may be compelled to render, before a commission of this court, a full, true, perfect, and complete account of all profits of every description diverted from your orators or made by the use of any and all imitations of said trade-mark used by your orators as aforesaid or by the sale of goods to or unto which such imitation or imitations may have been in anywise attached, and may be decreed to pay over to your orators the full and entire amount of such profits.

3. That the said commission be also required to ascertain and report to this court what injury and loss have otherwise been inflicted upon your orators by the imitation by the respondent of said trade-mark owned and used by your orators as aforesaid.

4. That the said respondent, his agents and servants, be forever enjoined and restrained from in any manner using said trade-mark or any mark or marks in anywise substantially similar thereto in such manner and form as to mislead and from otherwise selling or offering to sell any imitation or imitations of your orators' goods.

11 5. That a restraining order may be issued without delay, directed to the respondent aforesaid, his agents and servants, enjoining and restraining them from any use of said trade-mark during and until the termination of this suit, and from using any imitation thereof, and otherwise enjoining and restraining the fraudulent acts complained of.

6. That said respondent be compelled to deliver and surrender to the marshal of this court, or to some other person or persons to be

appointed by this court, any and all brands or stencils embodying said trade-mark or any imitation thereof whatsoever and that the marshal or other person or persons be commanded and directed to destroy the same.

7. And, finally, to the end that equity may be done and that the relief herein prayed for and all other relief that it may be righteous in the premises to administer may be afforded your orators, may it please your honors such relief fully to grant and to award against the said Alfred V. Ryder a writ of subpœna of the United States of America, issuing out of and under the seal of this honorable court, commanding him, on a certain day therein to be named and under a certain penalty, to be and appear in this honorable court, then and there to answer all and singular the premises, and to stand to and perform and abide such further order, direction, and decree as may be made against him.

And your orator, as in duty bound, will ever pray, &c.

S. ST. J. McCUTCHEN,
Solicitor for Complainants, 170 *Broadway, N. Y. City.*

ROWLAND COX, *Of Counsel.*

12 UNITED STATES OF AMERICA, }
Southern District of New York, } *ss:*

Robert S. Holt, of lawful age, being duly sworn, deposes and says as follows, to wit: I am a member of the firm of Holt & Company, the complainants in the foregoing bill named. I have read the said bill of complaint and know the contents thereof. I know of my own knowledge that all the matters and things stated as within the knowledge of complainants are true in all respects and particulars, and as to the statements touching all other matters and things I verily believe them to be true.

ROBERT S. HOLT.

On this 22d day of July, 1882, before me personally came Robert S. Holt, personally known to me to be the identical person described in the foregoing affidavit, and subscribed and made oath to the same.

Witness my hand and seal of office.

EDWIN F. COREY, [L. S.]
Notary Public, County and State of New York.

13 [Endorsed:] U. S. circuit court, southern district of N. Y. Robert S. Holt *et al.* ag'st Alfred V. Ryder. Bill of complaint. S. St. J. McCutchen, sol. for compl't, 170 Broadway, N. Y. city. U. S. circuit court. Filed Aug. 7, 1882. Joseph M. Deul, clerk.

Circuit Court of the United States for the Southern District of New York.

ROBERT S. HOLT, LEONARD J. BUSBY, and CHARLES W. MCCUTCHEN

against

ALFRED V. RYDER.

The answer of the defendant to the bill of complaint of Robert S. Holt, Leonard J. Busby, and Charles W. McCutchen, complainants.

This defendant, reserving to himself all right of exception to the said bill of complaint, for answer thereto, saith:

He admits that the firm of Holt and Company has been from time to time changed or dissolved; and he denies that in each
15 such instance the new firm formed under that name had thereupon succeeded to the good will, brands, trade-marks, and other assets of such preceding firm; and he further denies that the complainants are now legally seized of the good will and all the trade-marks ever at any time used by the firm of Holt and Company; and he denies that said complainants are legally seized or are the owners of the trade-mark "La Favorita."

And defendant, further answering, alleges that in the year 1861, up to the year 1868, one Stephen O. Ryder was a member of the complainants' firm of Holt and Company, and was one of the originators of the said trade-mark "La Favorita," and has always and does now own and use the same as a proprietor and owner thereof, and has continually used the same
16 as his individual trade-mark since the year 1868 and has always been entitled to use the same; that said Ryder has at all times exercised great care in the selection, packing, and preparation of the flour packed and sold by him under the brand of "La Favorita" and has carefully and extensively advertised the same and by his care and efforts has extensively introduced the same to the trade, and the same has come to be widely known in and desired by the trade in the United States and elsewhere, and that the sale of the flour so marked or stamped has been and is now an important part of said Ryder's business, and that all the flour bought
17 and sold by defendant marked with the name of "La Favorita" has been of the production of said Ryder and is so known to be by defendant's customers and for that reason is in great demand by said customers.

And defendant further alleges that the manner in which said Ryder marks the said flour so prepared by him is entirely different from the manner in which said complainants mark their said flour, and that in particular the said Ryder uses in connection with the name "La Favorita" his own name in full in conspicuous and different letters, so as to draw attention thereto and to indicate that the said flour is of his own particular preparation and in order

to distinguish the same from the flour of complainants
18 and from the flour of many other dealers who have for many years used the said name of "La Favorita" as a brand for flour in common with said Ryder, as is well known to said complainants, and without objection by them during the whole of said time.

And defendant alleges that he has no knowledge or information of the registration of said trade-mark in the Patent Office, as is alleged in said complaint, and he therefore denies the same.

And, further answering, said defendant denies that he has ever wilfully and fraudulently prepared, offered, and sold flour put up in packages like those of complainants, or to which have been attached and applied marks and brands embodying in any instance
19 any reproduction or counterfeit or copy or imitation of the trade-mark "La Favorita," alleged to be used by the complainants, and he denies that he has so offered and sold packages of flour put up in imitation of complainants' goods, as and for the true and genuine flour prepared and sold by complainants, and he further denies that he has ever sold flour marked with the name "La Favorita" as the flour selected by complainants, but, on the contrary, has always sold such flour as the special selection of said Ryder.

And said defendant, further answering, alleges that he has no knowledge or information sufficient to form a belief as to any of the other allegations in said complaint contained, and he there-
20 fore denies the same.

And the said defendant, further answering, denies that the said complainants are entitled to the relief or any part thereof in the said complaint demanded; and this defendant prays the same advantage of his aforesaid answer as if he had pleaded or demurred to the said bill of complaint; and this defendant prays to be hence dismissed with his reasonable costs and charges in this behalf most wrongfully sustained.

ALFRED V. RYDER,
Defendant.
JOHN HENRY HULL,
Solicitor and of Counsel for Defendant,
200 *Broadway, N. Y.*

UNITED STATES OF AMERICA, }
Southern District of New York, } *ss:*

21 Alfred V. Ryder, being duly sworn, says that he is the defendant in the above-entitled action; that he has read the above answer subscribed by him and knows the contents thereof, and that the same is true of his own knowledge, except as to the matters which are therein stated on information and belief, and as to those matters he believes it to be true.

Sworn before me this 31st day of August, 1882.

ALFRED V. RYDER.
WM. STAINTON,
Notary Public, City and County of New York.

Endorsed: United States circuit court. Robert S. Holt *et al.* ag't Alfred V. Ryder. Answer. J. H. Hall, solicitor and of
22 counsel for def't, 200 Broadway, N. Y. U. S. circuit court. Filed Sept. 1st, 1882. Joseph M. Deul, clerk.

23 Circuit Court of the United States, Southern District of New York. In Equity.

ROBERT S. HOLT *et al. vs.* ALFRED V. RYDER.

The replication of Robert S. Holt, Leonard J. Busby, and Charles W. McCutchen, complainants, to the answer of Alfred V. Ryder, defendant.

These repliants, saving and reserving unto themselves now and at all times hereafter all and all manner of benefit and advantage of exception which may be had or taken to the manifold insufficiencies of the said answer, for replication thereunto, say that they
24 will aver, maintain, and prove their said bill of complaint to be true, certain, and sufficient in law to be answered unto, and that the said answer of the said defendant is uncertain, untrue, and insufficient to be replied unto by these repliants without this, that any other matter or thing whatsoever in the said answer contained material or effectual in the law to be replied unto and not herein and hereby well and sufficiently replied unto, confessed or avoided, traversed or denied, is true; all which matters and things these erpliants are and will be ready to aver, maintain, and prove as this honorable court shall direct, and humbly pray as in and by their said bill they have already prayed.

S. ST. J. McCUTCHEN,
Complainants' Solicitor, 170 *Broadway, N. Y. City.*

25 (Endorsed:) U. S. circuit court, southern district of New York. In equity. Robert S. Holt *et al. vs.* Alfred V. Ryder. Replication. U. S. circuit court. Filed Sept. 29, 1882. Joseph M. Deul, clerk.

26 United States Circuit Court, Southern District of New York. In Equity.

ROBERT S. HOLT, LEONARD J. BUSBY, and CHARLES W. McCUTCHEN

vs.

ALFRED V. RYDER.

This cause having come on to be heard upon the bill of complaint herein, the answer thereto of the defendant, Alfred V. Ryder, the replication of the complainants to such answer, and it having been

stipulated that this cause should abide the event of the action entitled Holt *vs.* Menendez:

Now, therefore, on consideration thereof, it is ordered, adjudged, and decreed, and the court doth hereby order, adjudge, and decree, as follows, viz:

1. That the complainants are entitled to the exclusive use
27 of the words "La Favorita" as a brand or trade-mark for flour.

2. That the defendant has infringed the right of the complainants by the use of the words "La Favorita" as a brand or mark for flour not prepared by the complainants.

3. That a perpetual injunction issue herein directed to the said defendant, his agents, servants, and workmen, enjoining and restraining them and each of them forever hereafter from, in any form or manner, directly or indirectly, using the said trade-mark of the complainants, namely, the words "La Favorita," or any word or words substantially similar thereto in sound or appearance in connec-
28 tion with the preparation or sale of flour, and from branding, marking, applying, or attaching to barrels, bags, boxes, or other receptacles said trade-mark "La Favorita" or any word or words substantially like it in sound or appearance, and from selling or offering to sell any flour not prepared by the complainants in barrels, bags, or other receptacles bearing the words "La Favorita" or any word or words substantially the same in sound or appearance, provided that nothing herein shall prevent the defendant from dealing in the true and genuine "La Favorita" flour of the complainants.

4th. That the complainants recover their costs herein to be taxed, but there shall be no accounting.

ALFRED C. COXE.

Agreed to as to form.

JOHN HENRY HULL,
Def't's Att'y.

29 (Endorsed:) U. S. circuit court, southern district of N. Y. Robert S. Holt *et al. vs.* Alfred V. Ryder. Final decree. S. St. J. McCutchen, compl't's solicitor. U. S. circuit court. Filed Mar. 19th, 1885. Timothy Griffith, clerk.

30 U. S. Circuit Court, Southern District of New York.

ROBERT S. HOLT *et al.*, Appellees,

vs.

ALFRED V. RYDER, Appellant.

We hereby consent that the foregoing papers shall constitute the record to be sent by the clerk of the circuit court of the United States for the southern district of New York to the U. S. Supreme

Court on the appeal to said Supreme Court in the above-entitled cause.

New York, Aug. 11th, 1885.

A. V. BRIESEN, *For Appellant.*
S. ST. J. McCUTCHEN,
For Respondent.

31 (Endorsed:) U. S. circuit court. Filed August 18th, 1885. Timothy Griffith, clerk.

32 Supreme Court of the United States.

ROBERT S. HOLT *et al.*, Appellees,
vs.
ALFRED V. RYDER, Appellant.

To the honorable the Supreme Court of the United States:

The appeal of Alfred V. Ryder, the above-named defendant and appellant, respectfully showeth that upon the 7th day of August, 1882, the above-named complainants filed their bill in the circuit court of the United States for the southern district of New York against the above-named defendant, alleging that this defendant and appellant did wrongfully infringe upon the exclusive rights
33 of said complainants under and to a certain trade-mark, consisting of the words "La Favorita," and used by them on flour, the said bill setting forth the due registration of said trade-mark on the 28th day of February, 1882, and charging this defendant and appellant with wrongfully preparing, offering, and selling flour of like character and appearance as that sold by said complainants and in imitation thereof, and marking the same with said alleged trade-mark, "La Favorita," the said bill further praying that the said defendant and appellant be enjoined and restricted from the use of the said alleged trade-mark and from otherwise selling or offering to sell any flour in imitation of the complainants' goods, and be compelled to account for
34 all and pay to complainants the profits made by him by the use of said alleged trade-mark or the sale of goods to which such trade-mark might have been attached, and also to account for and pay to said complainants all damages suffered by them by virtue of said alleged wrongful acts of said defendant and appellant, averring said damages to be the sum of $10,000, and that said defendant and appellant be compelled to surrender all brands or stencils embodying said alleged trade-mark to the marshal of the court to be destroyed; to which bill the defendant and appellant made answer, filed September 1, 1882, denying that the complainants were the owners of said trade-mark "La Favorita" and
35 denying the registration of said trade-mark, and denying that said defendant had ever wrongfully used said alleged trade-mark or wrongfully prepared, offered, or sold any flour bearing said alleged trade-mark, or ever prepared, offered, or sold any

goods in imitation of complainants' goods, and averring that one Stephen O. Ryder was one of the originators of said alleged trade-mark "La Favorita," and had continuously used the same as his individual trade-mark and was the owner of and entitled to use the same; that all the flour prepared, bought, and sold by said defendant and appellant and marked with the name "La Favorita" was the production of said Stephen O. Ryder, and that many other dealers had for many years, to the knowledge
36 of said complainants, used the said name of "La Favorita" as a brand for flour without objection by them, and the complainants filed their replication to said answer on the 27th day of September, 1882, and thereafter, on the 10th day of October, 1882, a stipulation was made between the parties and filed on October 24th, 1882, in said circuit court, that this cause should be argued with and abide the event of the cause of the same complainant against Jose Menderdez *et al.*, then pending in the said circuit court, and thereafter both parties took proofs in said last-mentioned suit, and the same was, together with this cause, brought on for final hearing before the said circuit court, in the February term of the year
37 1885, upon the pleadings and proofs therein; whereupon the said court on such hearing decided that the said words "La Favorita" were the trade-mark of said complainants and used by them on flour, and that the said defendant and appellant had infringed upon the exclusive rights of the complainants under the same, but that said complainants were not entitled to any damages or the profits derived by said defendant and appellant therefrom, and ordered that a decree be rendered accordingly and an injunction issue restraining said defendant from the further use of the said trade-mark "La Favorita."

That thereupon an injunction was made in this cause as ordered and is now still in effect, and that on the 19th day of March,
38 1885, a final decree was made and pronounced in the cause, wherein it was, in substance, adjudged and decreed that the defendant and appellant be forever enjoined from the use of said trade-mark "La Favorita," and that he pay the complainants costs, the same to be taxed; that on the 3d day of April, 1885, said costs were duly taxed at the sum of $22.69, and judgment for that sum entered.

Wherefore the appellant appeals from so much of said decree of said circuit court of the United States as adjudges said complainants to be the owners of said trade-mark "La Favorita" and adjudges this appellant an infringer thereof, and respectfully prays that the decree of the said circuit court and the bill, answer, pleadings, depositions, evidence, and proceedings in the said case
39 may be sent to the Supreme Court of the United States without delay, and that the said Supreme Court may proceed to hear the said cause anew, and that so much of the said decree of the circuit court as adjudges said trade-mark "La Favorita" to be the property of said complainants and this appellant an infringer thereof may be reversed and a decree made dismissing the whole of

said bill with costs, with such other decree as to the Supreme Court shall seem just.

Dated New York, 11th April, 1885.

ARTHUR V. BRIESEN,
Attorney for Appellant.

The foregoing appeal is hereby allowed.
Dated April 11th, 1885.

WM. J. WALLACE.

40 (Endorsed:) Supreme Court of the United States. Robert S. Holt *et al.*, appellee-, *vs.* Alfred V. Ryder, appellant. Appeal. Briesen & Steele, counsel for appellant, 229 Broadway, New York. U. S. circuit court. Filed April 11th, 1885. Timothy Griffith, clerk.

41 *Bond for Damages and Costs.*

Circuit Court of the United States of America for the Southern District of New York, in the Second Circuit.

ROBERT S. HOLT, LEONARD J. BUSBY, and CHARLES W. MCCUTCHEN, Appellees,

vs.

ALFRED V. RYDER, Appellant.

Know all men by these presents that we, George H. Palmer, of the city, county, and State of New York, and John C. Palmer, of the town of Summit and State of New Jersey, are held and firmly bound unto the above-named Robert S. Holt, Leonard J. Busby, & Chas. W. McCutchen in the sum of one hundred dollars, to be paid to the said appellees; for the payment of which, well and truly to be made, we bind ourselves and each of us, our and each of our heirs, executors, and administrators, jointly and severally, firmly by these presents.

Sealed with our seals and dated the 11th day of April, in the year of our Lord one thousand eight hundred and eighty-five.

Whereas the above-named Alfred V. Ryder has taken an appeal to the Supreme Court of the United States to reverse the decree rendered in the above-entitled suit by the judge of the circuit court of the United States for the sourthern district of New York:

Now, therefore, the condition of this obligation is such that if the above-named Alfred V. Ryder shall prosecute his said appeal to effect and answer all damages and costs if he shall fail to make good his plea, then this obligation shall be void; otherwise the same shall be and remain in full force and virtue.

GEO. H. PALMER. [L. S.]
JNO. C. PALMER. [L. S.]

Sealed and delivered and taken and acknowledged this 11th day of April, 1885, before me—

[L. S.] CHAUNCEY O. MIDDLEBROOK,
Notary Public, County of New York.

42 UNITED STATES OF AMERICA, *Southern District of New York,* } *ss:*

George H. Palmer and John C. Palmer, being duly sworn, each for himself depose- and says that he is worth the sum of two hundred dollars over and above all his just debts and liabilities.

GEO. H. PALMER.
JNO. C. PALMER.

Sworn to this 11th day of April, A. D. 1885, before me—

[L. S.] CHAUNCEY O. MIDDLEBROOK,
Notary Public, County of New York.

[Endorsed:] Vol. —, page —. U. S. circuit court. Robert S. Holt *et al.*, appellees, *vs.* Alfred V. Ryder. Bond for costs on appeal. ——— ———, proctor. After oral examination I deem sureties on within bond sufficient. Timothy Griffith, cl'k. Wm. J. Wallace. U. S. circuit court. Filed Ap'l 11, 1885. Timothy Griffith, clerk.

43 By the Honorable William J. Wallace, one of the judges of the circuit court of the United States for the southern district of New York.

To Robert S. Holt, Leonard J. Busby, and Charles W. McCutchen:

Whereas Alfred V. Ryder has lately appealed to the Supreme Court of the United States from a decree lately rendered in the circuit court of the United States for the southern district of New York to Robert S. Holt, Leonard J. Busby, and Charles W. McCutchen, and has filed the security required by law, you are, therefore, hereby cited to appear before the said Supreme Court, at the city of Washington, on the second Monday of October, 1885, to do and receive what may appertain to justice to be done in the premises.

44 Given under my hand, at the city of New York, in the southern district of New York, in the second circuit, the 11th day of April, in the year of our Lord one thousand eight hundred and eighty-five.

WM. J. WALLACE.

(Endorsed:) Supreme Court of the United States. Alfred V. Ryder, appellant, *vs.* Robert S. Holt *et al.*, appellees. Citation. Briesen & Steele, counsel for appellant, 229 Broadway, New York.

Service of the within citation is hereby admitted this 13th day of April, 1885.

S. ST. J. McCUTCHEN,
Att'y for Appellees.

[Endorsed:] U. S. circuit court. Filed Ap'l 15th, 1885. Timothy Griffith, clerk.

45 UNITED STATES OF AMERICA, } ss:
Southern District of New York, }

I, Timothy Griffith, clerk of the circuit court of the United States of America for the southern district of New York, in the second circuit, do hereby certify that the foregoing pages, numbered from one to forty-four, inclusive, contain a true and complete transcript of the record and proceedings had in said court in the case of Robert S. Holt, Leonard J. Busby, and Charles W. McCutchen, complainants & appellees, against Alfred V. Ryder, defendant & appellant, as the same remain of record and on file in said office.

In testimony whereof I have caused the seal of the said court to be hereunto affixed, at the city of New York, in the southern district of New York, in the second circuit, this 18th day of August, in the year of our Lord one thousand eight hundred and eighty-five, and of the Independence of the said United States the one hundred and tenth.

[Seal of U. S. Circuit Court, South. Dist. New York.]

TIMOTHY GRIFFITH, *Clerk.*

Endorsed on cover: S. New York C. C. U. S. No. 341. Alfred V. Ryder, appellant, *vs.* Robert S. Holt, Leonard J. Busby, and Charles W. McCutchen. Filed October 7, 1885.

Supreme Court of the United States,

OCTOBER TERM, 1888.

No. 76.

ALFRED V. RYDER,

Appellant,

vs.

ROBERT T. HOLT, LEONARD J. BUSBY AND CHARLES W. McCUTCHEN.

No. 77.

JOSÉ MENENDEZ AND JOAQUIN MENENDEZ,

Appellants,

vs.

ROBERT T. HOLT, LEONARD J. BUSBY AND CHARLES W. McCUTCHEN.

APPEALS FROM THE CIRCUIT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK.

BRIEF IN BEHALF OF THE APPELLANTS.

ARTHUR v. BRIESEN,

Of Counsel for Appellants.

Supreme Court of the United States.

OCTOBER TERM, 1888.

ALFRED V. RYDER, Appellant, vs. ROBERT T. HOLT, LEONARD J. BUSBY and CHARLES W. MCCUTCHEN.	No. 76.
JOSÉ MENENDEZ and JOAQUIN MENENDEZ, Appellants, vs. ROBERT T. HOLT, LEONARD J. BUSBY and CHARLES W. MCCUTCHEN.	No. 77.

Appeals from the Circuit Court of the United States for the Southern District of New York.

BRIEF IN BEHALF OF THE APPELLANTS.

Statement of Facts.

These suits were brought by the appellees, the complainants below, against these appellants, the respondents below, for alleged infringement of a certain so-called "trade-mark" on flour, to wit, the brand "La Favorita."

The bills of complaint allege that the complainants' firm of Holt & Co. has from time to time been changed or dissolved by the retirement of the then existing firms of various persons as members thereof, but in each such instance a new firm or co-partnership has been immediately formed, which said new firm has thereupon succeeded to the firm name, good-will, brands, trade-marks and other assets of such preceding firm; also that the complainants' firm of Holt & Co. adopted and appropriated to "their" exclusive use, during or about the year *1861*, the arbitrarily selected and fanciful words or term "La Favorita," as a brand or trade-mark to distinguish and identify a certain flour of their, the said Holt & Co.'s, selection and preparation, and sold by such firm.

The bills of complaint show further that in February, *1882*, that is, twenty-one years after the adoption of the trade-mark, the complainants caused to be registered in the Patent Office, in accordance with the Act of March 3, 1881, their said trade-mark "La Favorita," and that by certificate, dated the 28th of February, 1882, the Commissioner of Patents confirmed and recognized complainants' right to said trade-mark. A copy of said certificate of registration is contained in the record of case No. 77, at pp. 50 to 53 inclusive, and shows the entire brand to be as follows:

The bills of complaint also allege that the defendants prior to and since the date of said registration have in-

fringed upon the complainants' rights by selling in the Southern district of New York flour, bearing a reproduction, counterfeit copy and imitation of said trade-mark, to wit: the words, "La Favorita," and that such acts on the part of the defendants have resulted in diverting trade from the complainants, wherefore an injunction, an accounting of profits and damages, and a decree awarding the complainants the costs of suit are prayed for.

The defendants in their answers deny in the first place that every time the firm of Holt & Co. has been changed or disolved the new firm formed under the same name has thereupon succeeded to the good-will, brands, trade-marks and other assets of the preceding firm.

The answers further deny that the complainants are legally seized or are the owners of the trade-mark "La Favorita." The answers allege that from 1861 to 1868 one Stephen O. Ryder was a member of the complainants' firm of Holt & Co., and was one of the originators of the trade-mark "La Favorita," and that said Stephen O. Ryder now owns and uses said brand or trade-mark, and has continually used the same since the year 1868, has always been entitled to the use thereof, and that the defendants have only sold flour, which had been branded by said Ryder in accordance with his aforesaid alleged rights, but that Ryder marks the flour, not as complainants mark theirs, but differently therefrom in that he always adds his own name in full, in conspicuous and different letters, thereby indicating that the flour is of his own particular preparation, in order to distinguish the same from the flour of complainants and from the flour of many other dealers, who have for many years used the said name "La Favorita" as a brand of flour, to complainants knowledge and without objection on their part.

The answers deny moreover all intention to defraud or injure the complainants, and specifically deny all other allegations in the bills of complaint contained.

This being the character of the pleadings, the proofs show the following facts:

On the 25th day of January, 1861, an agreement was entered into in writing for the creation of the firm of Holt & Company, by and between Robert S. Holt, Stephen

G. Searls and S. Oscar Ryder. This agreement is reproduced on pages 55 and 56 of the record in case No. 77, and is here reproduced for the convenience of the Court. It is in words as follows:

"*This agreement, made this twenty fifth day of January, A. D., one thousand eight hundred and sixty-one, between Robert S. Holt, party of the first part; Stephen G. Searls, party of the second part, and S. Oscar Ryder, party of the third part, witnesseth:*

"*That the said parties mutually agree with each other to form a copartnership under the following articles:*

"1*st. The business shall be that commonly known as the flour and commission business, and shall be conducted in the City of New York under the firm name of Holt & Company, and shall continue for the term of three years from and after the first day of February, A. D. one thousand eight hundred and sixty-one.*

"2*d. The parties hereto shall respectively contribute as their portions of the capital as follows, viz.:*

"*Robert S. Holt and Stephen G. Searls, the parties of the first and second parts aforesaid, shall contribute the balances which shall appear to the credit of their respective accounts on the books of the former firm of Holt & Company upon the balancing of such books on the first day of February, one thousand eight hundred and sixty-one, and S. Oscar Ryder, party of the third part, shall contribute the sum of* FIVE THOUSAND DOLLARS *in cash on the first day of February, one thousand eight hundred and sixty-one, and, should he desire to do so, a like sum of five thousand dollars within one year thereafter.*

"3*d. The losses and profits shall be shared and apportioned, one-half to Robert S. Holt, three-tenths to Stephen G. Searls, and two-tenths to S. Oscar Ryder, and the partners shall devote their time and best efforts to the business of the firm.*

"*4th. Each partner shall be entitled to interest on any* "*amount contributed by him to the capital from the time* "*it is contributed, yearly, the same to be credited to him* "*at the end of each year and accumulated, and each shall* "*be entitled to interest yearly on such portion of his share* "*of the profits as he shall not have drawn out during the* "*year, to be computed from the time when the same shall* "*be credited to him and accumulated. The partnership-* "*accounts and statements shall be made up to the first day* "*of February in each year.*

"*It is expressly agreed that neither partner shall lend* "*or use the name, credit or means of the firm excepting in* "*its own legitimate operations, and under no circum-* "*stances whatever shall the name or credit of the firm be* "*loaned or exchanged with any other person or firm, nor* "*shall either party be interested or concerned in any other* "*business or business operations, nor separately lend his* "*own name or credit to any other person unless the writ-* "*ten consent of his copartners be first had and obtained.*

"*And the parties bind themselves to keep and perform* "*these articles in good faith, and be true to each other.*

"*In witness whereof, the parties to these presents have* "*hereunto set their hands and seals the day and year first* "*above written.*

"ROBERT S. HOLT, [*Seal.*]
"STEPHEN G. SEARLS, [*Seal.*]
"S. OSCAR RYDER, [*Seal.*]"

"*Sealed and delivered in the presence of*

"GEO. A. CURTIS.

It will be seen that the copartnership created by said agreement was to continue until February 1, 1864, and that Mr. Holt's share of profits in the firm were fixed at fifty per centum, Searls' at thirty per centum, and Ryder's at twenty per centum. But without further instrument in writing, the firm continued unchanged till the first day of February, 1869, when the firm was dissolved, and the fol-

lowing document executed, see page 118 record, to wit:

"*New York, Feb.* 1, 1869.

"*Dissolution.—The partnership heretofore existing be-*
"*tween the undersigned, under the firm of Holt & Com-*
"*pany, expires this day by its own limitation.*

"ROBERT S. HOLT,
"STEPHEN G. SEARLS,
"S. OSCAR RYDER."

Upon this dissolution going into effect, Mr. Ryder entered into business for himself, and immediately began to sell flour under the name "La Favorita." From the allegations in the complaint and from the proofs in the case, it appears that the firm of Holt & Company, of which Mr. Ryder was a partner, adopted the name "La Favorita" as a brand *at the time Ryder was a partner.* When Ryder ceased to be a partner trial balances were made, and an appraisement of assets, which however did not contain the trade marks of the firm as assets (see answer 3, page 70 Record). Ryder stepping out of the firm, or rather starting for himself, immediately began the use of the mark "La Favorita," and did so, as he testifies, under the belief that that brand with certain others was part of the property of the firm in which he had been a partner and which property was not at the dissolution conveyed by either partner exclusively to the other.

That Holt himself and his subsequent partners had full knowledge of Ryder's continued use of the term "La Favorita" after February, 1869, is amply proven in the record.

See Holt, ans. 123–125, p. 19. The trial there referred to having occurred in 1869. See p. 60, Record.

Mr. Holt himself testifies (answer 221, page 29, Record) as follows:

"*Q.* 221. *Have you not repeatedly seen since Mr. Ryder*
"*left your firm, quotations of "La Favorita" and other*
"*evidences of his using the brand?*

A. I have seen such quotations, indicating that he was
"*at least offering it for sale.*"

Mr. Busby, one of the complainants, and who has been connected with Mr. Holt for over twenty years, testifies in 1882, that he knew of Ryder using the brand "La Favorita" for eleven or twelve years (see answer 38, page 36, Record).

Mr. Wheeler, who entered Holt's employ in February 1869, and has been with him until 1879—even his partner—testifies as follows (page 45, Record):

"*Q. 8. Do you know whether S. Oscar Ryder used the brands of Holt & Company immediately after his retirement from the firm?*

"*A. Yes, sir.*

"*Q. 9. Please state when, to your knowledge, he first used the brands of Holt & Company?*

"*A. During the year* 1869 *and subsequently.*

"*Q.* 10. *What brand or brands did he use, if you know?*

"*A. La Selecta and La Favorita.*"

See also Ryder's testimony, pages 68 and 93 of Record.

The Court below, in its opinion, found that "RYDER *commenced using the brand in* 1869, *and has used it continuously since; that the complainants knew of this, certainly as early as* 1871 *is not disputed; that they protested at all is denied.*"

These facts are referred to for the purpose of enabling the Court to decide whether the story told by Mr. Holt (in answer 190, page 26) to the effect that Ryder agreed orally and informally not to use said brand (a story "supported" by Mr. Busby, who was not present however at said alleged interview, but who claims that Ryder told him the purport of it—see answer 14, page 34), is or is not probably true; Ryder claiming in his testimony that the conversation in question related only to the trade mark "Potomac" (see p. 70 and 71, Record), which he agreed he would not use, and which, as a matter of fact, he never did use; that it did not in any way refer to "La Favorita;" and that because of this understanding he went right on and sold "La Favorita;" it being also understood at the time that Ryder was to go

into the flour business (see answer, lower part p. 88, Record). Ryder, testifying thirteen years after these transactions, admits that he does not recollect all details of the conversations, but that "La Favorita" still belongs to him, "as I never gave it up" (lower part page 91).

It seems that Ryder's action in dealing with this mark ever since he left the old firm was in harmony with his understanding of his rights as then formulated. If it had been in violation of his understanding with Mr. Holt, as the testimony of complainants now seeks to show, Holt would in all probability not have waited thirteen years before bringing these proceedings, but while the alleged oral agreement was fresh in his mind, would at once have sought to enjoin Mr. Ryder from acting contrary to said supposed agreement. This fact, therefore, that Ryder was for thirteen years allowed, without protest and interference, to use the mark "La Favorita," is strongly corroborative of his testimony, from which it appears that he distinctly reserved that right, and was understood to possess that right by Mr. Holt, at the time of the dissolution of the firm.

In further corroboration of the correctness of Mr. Ryder's position on this question we point to the copartnership agreements that were entered into by Holt *after* the dissolution of the firm of February, 1869.

The old firm of Holt & Company, in which Ryder, Searls and Holt were partners, was, as we have seen, dissolved on the first of February, 1869. The next articles of copartnership were entered into between Holt & Searls (see Defendants' Exhibit No. 1, page 56, Record), in which it is provided that upon the termination of the partnership "*the goodwill of the business and the right to liquidate the affairs of the partnership shall belong to Holt.*" A like clause about the goodwill and right to liquidate appears in the next agreement entered into between Holt, Searls and Busby in January, 1873 (page 57, Record), also in the next following agreement, of January, 1876, between Holt, Searls and Busby (p. 57, Record), also in the subsequent agreement of January, 1878, between Holt, Busby and Wheeler (page 58, Record); and also in the

agreement of May, 1879, between Holt, Busby and McCutchen, the present complainants (page 59, Record).

Why was this clause regarding the goodwill of the business, which would seem to carry the trade marks inserted in each agreement *after* Ryder's withdrawal, and why was it not in the Ryder agreement? Mr. Holt himself states the reason (in his answer to question 94, page 17 of the Record) as follows:

"94 *x-Q. Then you cannot give the substance of the* "*difference between the two?*

"*A. Not literally; I remember no difference but the ex-* "*press statement of what had previously been tacitly un-* "*derstood in regard to the goodwill of the business resid-* "*ing in myself, this being done in consequence* OF THE "DISAGREEMENT BETWEEN MY FORMER PARTNERS *at my* "*father's suggestion.*"

It appears, therefore, that Holt was aware, after Ryder's withdrawal, of the cardinal distinction between the agreement with Ryder and the agreements made after that time with his new partners, said distinction lying in the fact that Ryder had not agreed to let the "goodwill" of the old firm rest in Mr. Holt, or in Mr. Searls or in himself; while Holt's subsequent partners all agreed that such goodwill should remain at the dissolution as Holt's personal property. This understanding on the part of Holt clearly prevented him from bringing suit against Mr. Ryder in 1869, and was effective in and after 1882, although, through lapse of time, to Mr. Holt's memory lost.

The record shows further that, beside Mr. Holt and his partners and ex-partners, many others have for a considerable period of time had undisturbed enjoyment of the mark or name "La Favorita," on flour; many of which parties had no connection with Holt or with O. S. Ryder, directly or indirectly. Thus Mr. Holt himself says that for several years some, and within more recent times, others have used the brand "La Favorita" (see answer 236, page 31, Record), amongst whom are Rowland & Company, George B. Robinson, Austin, Nichols & Co. and George V. Hecker & Co.

Mr. Busby testifies (on page 36) that others beside Ryder have used said brand from five to six years, amongst whom were Mr. Rowland, Austin, Nichols & Co. and Hecker (see page 43); also Mr. Robinson.

Mr. Busby further testifies on the rebuttal as follows (page 62):

"*Q. 7. Are you able to say whether the firm of Holt & Co. have had a knowledge of the name of the person whom it has been said manufactured La Favorita flour at* LA PORTE, INDIANA?

"*A. We have not.*"

He further testifies (answer 8, page 62) that the firm of Holt & Co. *has known* that a brand of La Favorita flour has been offered on the Exchange for several years *manufactured somewhere in the West.*

Who this western party is appears from the following correspondence, part of which took place *before* these suits were brought, and which is copied from pages 66 and 67 of the record:

"ST. LOUIS, *May* 18, 1882.

"*Mr.* L. J. BUSBY, *New York.*

"*Friend Busby: Yours of the 5th received and noted. I have made enquiries, and also had our brokers who sell for us on our home market to make enquiries, but thus far have not been successful. I suppose Geo. Bain or rather the Atlantic Mill Co. has that brand, but they do not acknowledge it.* I SUPPOSE THERE MUST BE A GOOD MANY BRANDS BY THE NAME 'LA FAVORITA.' FATHER SAYS, IN 1857, WHEN HE WAS WITH THE FIRM OF S. G. SEARS & CO., RUNNING THE LACLEDE MILLS OF THIS CITY, THEY HAD A BRAND 'LA FAVORITA.' *As that mill has changed hands several times, I suppose that brand remained with the mill. Mr. J. B. M. Kehlor is the present owner of the mill. Who has the control of that brand in New York? Or if you can give me any other points will do all I can at this end to help you. Does this brand arrive in large or small lots? Weather thus far good for the growing crop. My regards to Mr. R. S. Holt.*

"*Your friend,*

"J. H. GODDARD."

" *St. Louis, May* 31, 1883.

" *Friend Busby: Haven't heard from you since enquiry* " *regarding the 'La Favorita' brand or trade-mark,* " *although during past month or six weeks we have had* " *two communications from S. Oscar Ryder regarding* " *same.* WE AVOIDED ANSWERING THE SAME. *What do* " *you know about New York and Pennsylvania wheat* " *crops, their prospects, and then, how about Ohio; what* " *do you hear from the millers in that State? Please give* " *me what information you can. The prospects hereabouts* " *not at all good. Indiana and Illinois very bad; Mis-* " *souri about* ½ *of an average crop; Kansas is good. We* " *look for pretty stiff prices from this time on, possibly too* " *high for millers to use it to advantage. So far we have* " *not had much warm weather, and what wheat we raised* " *will have a late harvest. Let me hear from you. My* " *regards to Mr. Holt.*

" *Yours truly,*

" J. H. GODDARD."

" *New York, June* 5, 1883.

" J. H. GODDARD, *St. Louis:*

" *My dear Friend: I was pleased to find your familiar* " *handwriting on my desk; do not like to have old friends* " *slip away from us, and while we know that each year* " *the use of N. Y. to St. Louis millers is rapidly be-* " *coming a place to send very surplus stock only, we are* " *glad at all times to hear and return any information of* " *interest, and to be of service apart from the regular busi-* " *ness.* FIRST, I AM OBLIGED FOR YOUR DECLINING TO GIVE " ANY INFORMATION TO MR. RYDER IN REGARD TO THE BRAND " YOU HAVE. *The facts are these: Mr. Holt personally* " *originated a brand 'La Favorita,' for which we have* " *during the past twenty years built up, by care and pains-* " *taking work, a trade-mark that is valuable. This en-* " *couraged others, we are sorry to say, Mr. Ryder among* " *them, to make imitations and offer as the original. This* " *we are endeavoring to stop by the law's slow process, and* " *a claim was set up that a brand existed in St. Louis* " *prior to ours. Of this we were ignorant, but such a* " *case as that of which your father spoke, of the possession*

" *of a brand many years ago,* BUT OF SUBSEQUENT DISUSE " *(? ? ?) would not work against us very badly. Still we* " *are obliged by your kindness, as we shall be much pained* " *to hear Mr. Goddard placed in opposition to us by any* " *acts of our opponents.*

" *The brand about which I wrote you about a year ago* " WAS MADE AT LA PORTE, IND., BUT OF LATER DATE THAN " OUR OWN, *has been coming to the Eastern market* " FOR SOME YEARS, BUT NOT INTERFERING WITH OUR TRADE " IN ANY WAY. I WOULD LIKE MR. GODDARD TO " KNOWN OUR POSITION FULLY, *as we think we* " *are asking the Courts to award us only that which is our* " *own property, earned by years of care.*

" *In regard to corps, we find that St. Louis is about as* " *high relatively as any market in the country; more so* " *than either N. Y. or Chicago. Our position is that,* " *while N. Y., Md., Va., Del., and N. J. have about a full* " *average crop, Penna., is poor, probably not over 75 per* " *cent.; Ohio is very bad, our reports agreeing that 50 and* " *60 per cent. of last crop is all that can be expected. Our* " *reports from Illinois are nearly as poor as Ohio, but* " *Indiana is said to be much better. Kansas is reported* " *excellent, and Texas, Kentucky, and Tenn. good. If* " *the spring wheat States have large average and good* " *result with the heavy stock we are carrying over from* " *1882 we think the deficiency may be less than claimed.* " *Our export trade in wheat is very dead; orders are can-* " *celled daily, and very full stocks said to exist in every* " *part of Europe. Mr. Holt wished me to remember him* " *kindly, and I add that it has given me pleasure to write* " *you and hope that the next interval may be much* " *shorter.*

" *Very truly,*

" L. J. BUSBY."

We call attention here particularly to that part of Busby's letter to Goddard where he says: " The brand " about which I wrote you a year ago was made at La " Porte, Ind., but of later date than our own (sic), has " been coming to the Eastern market for *some* years, but " not interfering with our trade in any way." Mr. Eldridge

Goddard, probably the father of J. H. Goddard with whom this correspondence was carried on, is a witness in the case (see page 114 Record), and shows that the former firm of S. G. Sears & Co., used the brand La Favorita in 1857, and that the business of that firm has now passed into the hands of the Laclede Mill.

To the same effect is the testimony of Mr. Alexander H. Smith (on pp. 111 to 113 of the Record), he showing that as Goddard had written to Busby in his 1882 letter that the Leclede Mill is now owned by J. B. M. Kehlor. At this stage, that is during the cross-examination of Mr. Smith, counsel fo *complainants* offered in evidence a paper marked Exhibit "A." (See pp. 113 and 117 Record).

ST. LOUIS, AUGUST 6, 1883.

"*Know all men by these presents that I, James B. M.*
"*Kehlor, merchant, of the City of St. Louis, Missouri,*
"*being the owner of the Laclede Mills, for and in consider-*
"*ation of the sum of one dollar to me in hand paid by*
"*Robert S. Holt, Leonard B. Busby and Charles W.*
"*McCutchen, composing the firm of Holt & Co., of the*
"*City of New York, do hereby assign, transfer, and set*
"*over to said firm of Holt & Co., all my right, title and*
"*interest, if any, of any nature or kind, in or to any cer-*
"*tain brand or trade-mark for flour called 'La Favor-*
"*ita.'*

"*In witness whereof, I have hereunto set my hand and*
"*seal, at St. Louis, this 6th day of August, A. D., 1883.*

"J. B. M. KEHLOR. [SEAL]."

The Court below, in its opinion, says that this branch of the defense, which it deems a defense of "want of originality," is not pleaded, and also that the St. Louis brand of La Favorita has been abandoned and forgotten.

As to its not being pleaded, we reply by quoting from the answer: "They (defendants) deny that said com-
"plainants are legally seized or are the owners of the
"trade-mark 'La Favoritta;'" and also "of many other
"dealers who have for many years used the said name of
"'La Favorita' as a brand of flour, as is well known to

" said complainants and without objection by them during " the whole of said time."

In so far as the Court below says that the La Favorita brand of St. Louis flour has been abandoned and forgotten, we fail to find any evidence of that fact. Smith shows that while he was with the Western concern the Favorita brand of flour was used for eight or nine years; that when the Laclede mill was sold to Kehlor, "that one brand of flour was specified and others understood to pass" (see page 114).

Goddard only shows that he retired from Sears & Company in 1861, and that since that time he has not used the brand nor seen it. Of course he had nothing to do with it since, and as to him, it may be true that the mark was as " dead as Chelsea."

Bridges says (page 116) that the brand was used from 1858 until *1863;* he had no occasion to see it after that time.

The Goddard letters to Busby show that Kehlor is the owner of the mill in which that brand was used. The fact that the complainants took an assignment from Kehlor in August, 1883, long after this suit was brought, shows that they found, or thought they found, that Kehlor had important rights to sell in that connection.

In addition to this proof, of a previous use of the mark "La Favorita" on flour, we have the testimony of the witnesses Rowland (page 96), Bowman (page 99), Thompson (page 100) and Robinson (page 100), to the previous and simultaneous use of the brand by others. Rowland shows that he has known the brand as early as 1855 in St. Louis, being made there for the export trade by Goddard and others, and that he himself *is* using the words "La Favorita," having branded it on his flour since 1872, having never heard any protest from complainants until 1882.

Bowman shows that he has known the brand La Favorita for *twenty* years, and that it was at that time represented as coming from La Porte, Indiana, and that his house in which this flour was sold was never interfered with by Holt & Company.

Thompson shows that he is with the house of Robeson &

Company, flour dealers, and that for *fourteen* years that house has sold "La Favorita, receiving the brand first from John P. Early, of La Porte, Indiana, and that his house has never been interfered with by the complainants.

George B. Robinson testifies that he has known the brand "La Favorita" for about twelve years; that his own firm has put it on flour since 1878, and that no protest emanated from the complainants until 1882. The same witness bought La Favorita of Roberson & Co., F. W. Mullin & Co. (see page 102 of the Record), and that besides these, Austin, Nichols & Co. and Rowland & Co. made and sold it.

We have thus shown that the mark "La Favorita" is largely used as a brand by flour dealers; that it had been so used before Holt & Company, in 1861, thought of using the name; that it has been so used since Holt & Company used the name; and always prior to 1882 without protest on the part of the complainants; and that in 1883 the complainants took an assignment from Kehlor, in whom the oldest title to said brand had been proven to vest.

Of course, the Kehlor assignment cannot here avail the complainants; it is not alleged as basis of title in the bills of complaint.

That the mark "La Eavorita" is one of a number of marks used by the complainants for the purpose of distinguishing a certain grade or quality of flour, and not as a trade-mark on all their flour, is also proven.

Mr. Holt shows that his firm employs several brands of flour (see lower part page 11, Record). He is further asked (page 19):

"124 *x-Q. What did you then know of in relation to any* "*claim of infringement?*

"*A. I was informed that Rowland and Ryder were* "*offering* BRANDS *of flour for sale the right to which be* "*longed to us.*

"125 *x-Q. Give the names of the brands?*

"*A. The brand in question was one 'La Favorita.'*

"126 *x-Q. Any others?*

"*A. There were others, but I do not now distinctly re-*
"*call.*

"127 *x-Q. Do you recollect a brand called Potomac*
"*used by your firm?*

"*A. I do.*

"128 *x-Q. Was not this the only brand that had any*
"*real value as a trade mark at this time?*

"*A. It was not.*

"129 *x-Q. Had the brand La Favorita any real value*
"*at that time?*

"*A. It had some—not so much as the Potomac.*

"130 *x-Q. Had these others that you speak of as having*
"*been used by Ryder any value at that time?*

"*A. They* ALL *had, more or less.*

"131 *x-Q. Had not Potomac as much value in itself as*
"*all of them put together at that time?*

"*A. Having much the largest trade, I think it had.*"

He also (in answer 191, page 26) speaks of another brand called Victoria which he used. In answer 71, page 15, he speaks of the brand "La Selecta" used by him and his firm. On page 33, he shows that the brand La Favorita is applied to flour not made by Holt & Company, but (see answer 252) "*by somebody else.*" He is asked:

(*Question* 253, *page* 33.) "*Has it always been made by*
"*the same person?*" *and he answers:* "*It has not.*"

"*Q.* 254. *How many different persons has it been made*
"*by?*

"*A. It is impossible for me to say. As a proprietory*
"*brand we apply it to* ANY *flour that we think will sustain*
"*the character of the brand.*

"255 *Q. Then it simply represents each time that you*
"*use it, a flour that, in your judgment, is equal or supe-*
"*rior to a flour for which it was used?*

"*A. It does.*

"256 *Q. It does not represent any particular variety of*
"*wheat flour or any manufacturer's make?*

"*A. It does not.*"

Mr. Busby, Mr. Holt's partner, testifies (on pp. 34 and 35, Record) of the use of several brands by the firm in

question (on page 36, answer 37); he speaks of the brand "Aurora;" in answer 48 he speaks of the brand "Miranda," and when he is asked (in question 49):

"*Wherein does the flour branded as 'La Favorita' differ from the flour branded as 'Miranda?'*"

He answers:

"*The 'Miranda' flour is whiter, less strong, milled in a different method, and of a different value on the market.*"

On page 38 he is asked to explain how he selects the flour for branding "La Favorita," and answers:

(*To question 57.*) "*We exercise our judgment in such matters accordimg to circumstances.*

"*Q. 58 According to what circumstances?*

"*A. According to time between each shipment, season "of the year, our knowledge of the manufacture and other "facts incidental to the business.*"

He then answers (in reply to question 62, page 39) as follows:

"*We compare all flour branded 'La Favorita' with the standard for that brand, excepting, as before stated, when circumstances make us think it unnecessary.*

"*Q. 63. What do you mean by the word "standard" "in the last answer?*

"*A. The* QUALITY *of flour with which the brand is as-"sociated and which buyers expect to receive.*"

In answer 64 he says: "It is a matter of expert knowledge fortified by comparison when necessary; cannot be more closely defined."

In answer 73, p. 40, he says that he thinks there are manufacturers of flour whose products he would not even inspect, and, in answer 75, page 41, he says that the Favorita brand is *usually* milled by stones.

Mr. Wheeler, a former partner of Mr. Holt, testifies on page 45, to the effect that sundry brands were used by the complainants on flour.

On page 78, Mr. Ryder testifies that during the time he was with Holt & Company the trade marks "La Favorita," "Montrose Family," "Aurora," "La Selecta," and "Potomac," were used by said firm as brands for flour. On page 83 he adds a sixth—"Wheeland"—to the list. On page 84 he is reminded by the cross-examining counsel that the same firm also used the brands "Belle Mount" and "Extra Baker's"—making eight.

The evidence on this point leaves no room for doubt that each of the names put by Holt & Company on their flour was intended and designed to mark a particular quality of flour, or, as Mr. Busby puts it, a quality equal to a special standard (answer 46, page 37). Whether such a use of distinguishing names amounts to a trade mark, is one of the questions to be considered in this case.

On the question of infringement the complainants introduced no proof, relying probably on the qualified admission which the answer contains, to the effect that "La Favorita" flour sold by *defendants* was always accompanied by the name of Stephen O. Ryder, in conspicuous and different letters, so as to draw attention thereto, and to indicate that the said flour was of his own particular preparation, and in order to distinguish the same from the flour of complainants and from the flour of many other dealers, who have for many years past used said name of "La Favorita" as a brand of flour, as is well known to said complainants, etc.

As regards the case No. 76, against A. V. Ryder it seems proper to show that the bill of complaint charges one of the complainants to be a resident of the State of New York, the next a resident of Brooklyn, in New York, the third a resident of Plainfield, New Jersey, while the defendant Alfred V. Ryder is described as doing business at the City of New York under the name of A. V. Ryder; hence as to allegation of citizenship, this bill fails to show that the suit is between citizens of different States.

On the question of locality of infringement the bill charges that the defendant prior and since the 28th of of February, 1882, at the City of New York, in the Southern District of New York, has sold flour branded "La

Favorita." The record in No. 77 shows further (page 118, folio 181) that in suit No. 77, it was stipulated as follows:

"It is stipulated and agreed by counsel that the case of "complainants against Alfred V. Ryder be argued with, "and abide the event of above entitled cause, except as "regards the accounting, if any be ordered.

"Dated New York, October 10, 1882.

"S. ST. JOHN MCCUTCHEN,
"Compl'ts' Sol'r.
"JOHN HENRY HULL,
"Sol'r for Def'ts."

The above stipulation is entitled in the suit of Holt *vs.* Menendez, endorsed in that suit, and filed with the papers therein. These facts will raise the question, whether the stipulation and facts in the case gave the Circuit Court jurisdiction in the matter of the suit against A. V. Ryder.

The foregoing are, as far as appears necessary, for the purpose of the brief, the salient facts brought out by the testimony in the case.

ASSIGNMENT OF ERRORS.

We believe that the Court below erred :

FIRST.—In holding that "La Favorita" is a trade mark such as a court of equity will take cognizance of.

SECOND.—In holding and finding that the complainants are legally seized, or are the owners of the brand "La Favorita."

THIRD.—In holding and finding that the present complainants, Holt, Busby and McCutchen, have title to the exclusive use of the name La Favorita as a brand on flour *superior* to the title of R. S. Holt and S. O. Ryder.

FOURTH.—In holding and finding that the term "La Favorita," as used by the complainants, has been infringed by these defendants, whose goods always carried the name of Mr. Ryder in connection with "La Favorita."

FIFTH.—In holding and finding that the admitted laches of the complainants nevertheless entitle them to standing in a court of equity.

SIXTH.—It seems also that the Court below erred in assuming jurisdiction in the suit against A. V. Ryder.

ARGUMENT.

First.—*Is the brand "La Favorita," as used by the complainants, a trade mark?*

We respectfully submit that it is not. It clearly appears from the proofs that the complainants, who are merely dealers in flour and not manufacturers, employ a large number of brands and have done so for years past, placing the same upon their different packages of flour as their fancy or judgment might indicate. The proofs to which we have referred under this head show that the complainants their flour sometimes "Potomac," sometimes "La Selecta," sometimes "La Favorita," at other times "Victoria," "Aurora," "Miranda," "Montrose Family," "Whealand," "Extra Baker's" and "Belle Mount."

The proofs further show that it was the idea of the complainants to place the brand "La Favorita" upon a peculiar *quality* of flour, so that said brand did not in itself indicate ownership, but simply quality, and nothing but quality; the term "Miranda" for instance, indicating another quality, or being at least intended so do; Busby's testimony leaving it doubtful whether the complainants were very exacting in their application of the sundry brands.

The certificate of registration filed in the Patent Office by complainants (and the proofs also support this certificate) was to the effect that the complainants used the term "La Favorita" in connection with the firm name of Holt & Company. The case, therefore, seems to be on all-fours with the decision of this Court in Manufacturing

Company *vs.* Trainer, 101 U. S., p. 51. In that case this Honorable Court says (p. 55):

"*Upon the same principle letters or figures which, by* "*the custom of traders, or the declaration of the manu-* "*facturer of the goods to which they are attached, are* "*only used to denote quality, are incapable of exclusive* "*appropriation, but are open to use by any one, like the* '*adjectives of the language.*"

The above opinion was followed in the Circuit Court by his Honor, Judge Wheeler in the case of Wilcox & Gibbs Sewing Machine Company *vs.* The Gibbens Frame, 17 Fed. Rep., 623, the Court, in its opinion, saying:

"*Anything descriptive of the properties, style or qual-* "*ity of the article merely is open to all. Canal Co.* vs. "*Clark*, 13 *Wall.*, 311; *Manuf'g Co.* v. *Trainer*, 101 *U.* "*S.*, 51.

In the case of The Royal Baking Powder Company *vs.* Sherrell *et al.*, decided by the Court of Appeals of the State of New York, in 1883, 93 N. Y., 331, Judge Rapallo, writing the opinion of the Court, says:

"*Letters or figures which, by the custom of traders or* "*the declaration of the manufacturers, are only used to* "*denote quality, are incapable of exclusive appropria-* "*tion, but are open to use by any one, like the adjectives of* "*the language.* (*Amoskeag Co.* v. *Trainer*, 101 *U. S.*, 51; "*Amoskeag Manuf. Company* vs. *Spear*, 2 *Sandf.*, 599). "*The right to use a word or name as a trade mark, is the* "*right which a person has to use a certain mark or name* "*for articles which he has* MANUFACTURED, *so that he may* "*prevent another person from using it, because the mark* "*or name denotes that articles so marked or named were* "MANUFACTURED *by a certain person, and no one can have* "*the right to put the same name or mark upon his goods* "*and thus represent them to have been* MANUFACTURED *by* "*the person whose mark it is* (*Per Sir W. Page Wood, V.-* "*C., in Collins Co.* vs. *Cowen*, 3 *Kay & Johnson*, 428). "*But there can be no exclusive right to the use of words or* "*marks which have no relation to the origin or ownership*

" of the goods, and are only meant to indicate their quality " or grade."

In the same case, it appears from the opinion that the word "Royal" was applied by the complainants to a specific article or quality, and that other terms were applied to other qualities or grades; that, for instance, the term "English" was a brand used up to 1883; that the term "Royal" indicated their best grade; that the term "London" had always been their poorest. The president of the complainant company testified that the name "Royal" was identified with its goods as indicating a grade of the highest quality. The Court then says:

" We think this case comes within the principle of the " case of Amoskeag M'f'g Company v. *Trainer* (101 *U. S.,* " 51), *Amoskeag M'f'g Company* v. *Spear* (2 *Sandf.,* 599, " 616, 618), *and that it appeared that by the custom of the " trade and the declaration of the manufacturers, the " word 'Royal' was used to denote the quality or grade of " the goods. * * * * In the present case the " evidence showed that the word 'Royal' was used on " one of their grades of extracts, for the purpose of desig- " nating one of the grades. * * * * The motion " to dismiss the complaint should, we think, have been " granted."*

The above decisions seem to dispose of the question under discussion. The term "La Favorita," which at best, is descriptive in the same sense as "La Selecta," is admittedly used as a brand indicating a certain grade of flour; is admittedly used on flour not of complainants' manufacture. It indicates that it is the "favorite" brand of Holt & Company, while the other indicates that it is the "selected" brand of Holt & Company, the purchaser being intended to learn from these brands that each covers a certain grade of flour; the "Favorita" being *usually,* but not always, milled by stones.

We submit, therefore, that this Court will find that the term "Favorita" being intended to indicate only *quality,* and not *origin* of manufacture, does not constitute a

trade mark in the sense in which the term tarde mark has by this and other high tribunals been heretofore defined.

Second.—*Are the complainants the legal owners of the so-called brand "La Favorita?"*

Even assuming, for the sake of argument, that the brand "La Favorita" constitutes a valid trade mark, it does not seem that the title alleged in the complaints has been made out. The bills of complaint allege that the said trade mark was adopted during or about the year 1861 by the then firm of Holt & Company, but the proofs show that many years prior to 1861, Goddard, Smith, Bridges and Kehlor used the same brand, "La Favorita," on flour, and it does not appear that that brand had been abandoned by the first users at the time the then firm of Holt & Company "adopted it" in 1861.

Of course, we are not able to state definitely that the *S. G. Sears*, who is referred to in Goddard's, Bin's, Bridges' and Smith's testimony, is the *S. G. Searls* who became partner with Goddard and Holt by the contract of January, 1861. We have every reason to believe that he is the same party, and that in the testimony taken before the Notary in St. Louis the name of Mr. S. G. Searls was only carelessly spelt. If the same Searls who was partner with Goddard, Smith, Pegeram and Whitmore afterwards, to wit, in 1861, entered the firm of Holt & Company, the "selection" or "adoption" of the brand "La Favorita" would be naturally explained.

This, however, is but surmise. The fact remains that in St. Louis said brand had been used long before 1861 and afterwards, and that, by the assignment from Kehlor in August, 1883, which was offered in evidence by the counsel for complainants, the complainants sought to acquire the title from Kehlor to the original trade mark, thereby admitting the pertinency of the proofs previously adduced in that respect, and changing the base of title from that alleged in the bill of complaint to one not alleged therein.

In other words, if the complainants, by the assignment from Kehlor, acquired any rights to said brand, "La Favorita," such rights could only be enforced by suit alleging said assignment, in which suit the question would arise, whether or not a trade mark could legally be assigned by Kehlor without a simultaneous transfer to the assignees of Kehlor's goodwill and business.

But such a question is not now before the Court; and it is, for the purposes of the present suit, sufficient to show, first, that the said brand was used publicly prior to the adoption thereof by the complainants; that it was used publicly by many others since the complainants adopted it, as we have fully shown in the statement of facts (p. 14); and that the complainants have sought to cure their title by taking the assignment from Kehlor, admitting that Kehlor had a trade mark right in the premises to assign as late as 1883. We have failed to find in the record any evidence of the abandonment of the mark "La Favorita" by Kehlor or his predecessors. The assignment from Kehlor certainly shows that the said brand had not been "forgotten," as the Court below in its opinion alleges. That this branch of the defense has been properly pleaded appears from the statement of fact, which points to the allegations in the answer that bear upon this matter.

Emerson v. Hubbard 34 Fed Rep 327

Third.—*But assuming that "La Favorita" is a good trade mark and that the firm of Holt & Company, as constituted in* 1861, *first adopted it, have the present complainants title to the exclusive use of said name as a brand on flour superior to the title of R. S. Holt and S. O. Ryder?*

We have shown in the statement of facts that in 1861 Mr. Ryder was Mr. Holt's and Mr. Searls' partner, under an agreement which did not provide for the possession of the trade marks at the time of dissolution. We have shown that fifteen days before the dissolution of that firm Mr. Holt had entered into a new partnership with Mr. Searls, providing in the articles of agreement that at the

dissolution of this new partnership, the goodwill of the business should belong to Holt. We need not here quote authorities to the effect that the trade marks accompany the goodwill. The case of the present complainants is based upon the idea that Mr. Ryder, when he separated from the firm of Holt & Company, took with him no part of the good will of the business, and no part of its trade marks, and that this was brought about through an interview with Mr. Ryder, which Busby says occurred on the last day of Ryder's business connection with said firm (See answer 82, Busby, p. 42 Record), and therefore two weeks after the new contract between Holt and Searls had been executed.

We have shown that Mr. Ryder denies having ever promised to forego the use of the brand "La Favorita" on flour of his selection, after leaving the firm of Holt & Company. We have shown that he carried out his understanding, by immediately after leaving Holt & Company in 1869, adopting and using said brand for himself. The testimony, p. 88, stands uncontradicted that he was to go into the flour business in 1869. The record further shows that Ryder not only took said trade-mark, but he took from the books of Holt & Company a list of the customers, and applied to said customers for the trade; thus showing that he took his share of the good will as well as the share in the trade-marks, and that he carried on his understanding, without obstruction or protest, for the term of thirteen years, when this suit was suddenly sprung upon these defendants, who were dealing in S. O. Ryder's goods.

In Weston *v.* Ketcham, 39 N. Y. Superior Court Rpts., p. 54 (same case in Cox's Manual of Trade-mark Cases, p. 256) it was held:

"*That on the dissolution of Ketcham & Company all the partners retained equal rights in the trade-marks, etc., of the firm.*

In Young *v.* Jones Brothers, decided by the United States Circuit Court of the Eastern District of Virginia, 3 Hughes, p. 274, it was said:

shows—more particularly, the certificate of registration—

"*partnership each partner has a right, in the absence of* "*stipulation to the contrary, to use the name and style of* "*the partnership, in any way consistent with the facts of* "*their business, which does not have the effect of deceiv-* "*ing the public.* * * * *In the absence of express stip-* "*ulations, each partner may use the good will of the* "*former partnership.* IT IS ALSO HELD THAT RIGHTS IN THE "TRADE-MARK ARE ANALOGOUS TO RIGHTS IN THE GOOD "WILL OF A PARTNERSHIP. IN THE ABSENCE OF EXPRESS "STIPULATION AT THE TIME OF DISSOLUTION, EACH PARTNER "MAY GO ON AND USE THE TRADE-MARK OF THE FIRM. * * * "Banks *v.* Gibson, 11 Jurist, N. S., 680."

In Wright *v.* Simpson, decided by the Commissioner of Patents, Mr. Paine, reported 15 Official Gazette, 968, it was held :

"*After the dissolution of the firm Wright had no claim* "*to the* EXCLUSIVE *use of the trade-mark. His right to it* "*was only the right* WHICH ONE OF TWO PARTNERS *has to the* "*trade-mark of a dissolved copartnership. It was not an* "*exclusive right. It was, at the most, only a right which* "*he could enjoy in common with the other partner.*"

In Taylor *v.* Bothin, decided by Mr. Justice Field in the Circuit Court of the United States for the District of California, reported in 5 Sawyer, 584, the following was stated in the opinion :

"*Upon the statement of these facts, the only serious* "*question for deliberation is whether the complainant is* "*entitled to the exclusive use of the trade-mark or only to* "*a joint or equal use of it with the defendant. Had the* "*name been suggested and used by the complainant before* "*the business connection with the defendant there would* "*be no doubt of his exclusive right to it. But it having* "*been suggested and adopted after that connection was* "*formed, upon a consultation of the parties on the sub-* *ject, and then used for their joint benefit, we are led to the* "*conclusion* THAT THEY ARE EQUALLY ENTITLED TO ITS USE "AFTER THAT CONNECTION CEASED."

The case of Hamer vs. Dannenhofer 82 N.Y. 499 is also in point, the facts being similar to those in this suit.

In view of these and analogous decisions, it is clear that S. O. Ryder, in the absence of special assignment to his former partner Holt, did not part with his right to the brand "La Favorita," at the time of the dissolution of the firm; the said brand having admittedly been adopted by the former firm of Holt & Company at the time Ryder was a partner. That Ryder consented to waive his interest, or, at least, to waive his right to the brand "La Favorita," is asserted by the weakest kind of evidence, and is strongly denied by Ryder himself. The doubt which the evidence on either side on that point would raise is clearly solved by the conduct of the partners immediately following the dissolution; Ryder at once starting in the elaborate use of the brand "La Favorita" without protest on the part of Holt; Holt making agreements with other partners which provided for the good will remaining in him on the dissolution of these subsequent partnerships, doing so, as he states, because of his misunderstanding on that point with his former partners, the only instance of such misunderstanding being in the case of Ryder himself. Hence we are satisfied that the title of the present complainants to the brand "La Favorita" is not stronger than that of Ryder, whose goods these defendants have been in the habit of selling with the name of Ryder plainly disclosed in connection with the brand, as the answer admits and as the proofs do not controvert.

Fourth.—*If these complainants own any trade-mark, what is that trade-mark, and has that mark been infringed by these defendants?*

We have already clearly demonstrated, we believe, that Holt & Company as now composed, have no greater title to the term "La Favorita" than had, amongst others, Mr. Kehlor, Mr. Goddard. Mr. S. O. Ryder, etc.

We have also shown that the term "La Favorita," taken by itself, is not legally a trade-mark. The record shows—more particularly, the certificate of registration—

that *the name of Holt & Company has always been used by the complainants in connection with "La Favorita."*

The defendants' answer states that the "LA FAVORITA" flour they sold was always accompanied by the name of S. O. Ryder, plainly and prominently added to the brand.

Thus one concern sold flour branded, "La Favorita. HOLT & COMPANY," and the other concern sold flour branded, "LA FAVORITA. S. O. RYDER." The name of the party selecting the flour, sold under these brands, was plainly stated by either party. If, therefore, the allegation of the answer respecting the use by the defendants of said brand be taken as a qualified admission in the case, this allegation shows that there was no infringement of the *real* brand used by the complainants. Beyond that there is no proof in the case at all of any infringement, because the testimony does not disclose that or when the firm of José Menendez & Bro. sold any "La Favorita" flour, or that, and when the firm of A. V. Ryder sold any "La Favorita" flour. There was clearly, where the name of S. O. Ryder was added to the brand, no intention to deceive, no intention to palm off the goods of the defendants for those of the complainants; consequently no infringement of that which is of real value to the complainants, viz.: their firm name in connection with such other marks of grade or quality as they might choose to brand upon their barrels.

The Amoskeag Manufacturing Company cases and the Royal Baking Powder case, heretofore alluded to, seem to be controlling on this question.

Fifth.—*In view of the laches of complainants, have they any status in a Court of Equity?*

We have seen that for the period of thirteen years the complainants were aware of the use of the brand "La Favorita" by their former partner, S. O. Ryder, by Rowland & Company, Robeson & Company, and many others, and that they did not protest against such a supposed

violation of their "trade mark." On this point, the Court below, in its opinion says :

"*Upon the question of laches, however, I am con-*
"*strained to say that the complainants' conduct has been*
"*such that the relief granted must be limited to an in-*
"*junction. Ryder commenced using the brand in* 1869,
"*and has used it continuously since ; that the complain-*
"*ants knew of this certainly as early as* 1871 *is not dis-*
"*puted ; that they protested at all is denied. Certainly*
"*there was no vigor or courage shown by them until just*
"*prior to the commencement of this suit, in* 1882 *; that*
"*they did not consent is true, but it is equally true that*
"*for men who believed their rights invaded their course*
"*was inconsistent and* MISLEADING. *Ryder might well*
"*have imagined that they did not intend to call him to an*
"*account. The circumstances were such as to* JUSTIFY
"THE BELIEF ON HIS PART THAT HE WAS LICENSED BY
"SILENCE TO USE THE TRADE-MARK. *It would be inequit-*
"*able to compel him to pay for its use during the long*
"*years that the complainants slept upon their rights.*"

Nevertheless the Court below places this case on a par with McLean *v.* Fleming, 96 U. S., 245, in disregard of the long line of authorities which hold that a Court of Equity cannot be invited to intercede on behalf of a complainant who has slept for great length of time upon his rights.

McLean *v.* Fleming, differed from the long line of authorities on this subject, in that McLean continued to deceive the public by using on his goods a name (McLean) which caused the public to believe that what he sold were McLane's pills. The Court distinctly announced its theory in McLean *v.* Fleming, to be as follows (p. 255):

"*Where the similarity is sufficient to convey a false*
"*impression to the* PUBLIC MIND, *and is of a character to*
"*mislead and deceive the* ORDINARY PURCHASER *in the ex-*
"*ercise of ordinary care and caution in such matters, it*
"*is sufficient to give the injured party a right to redress,*
"IF HE HAS BEEN GUILTY OF NO LACHES."

We are satisfied that in the light of the later decisions of this honorable Court (see Godden *v.* Kimmell, 99 U. S., 201; Landsdale *v.* Smith, 106 U. S., 391), this Court intended to draw the line in the Fleming case for the sole protection of the *public*, understanding at the time that the complainant himself, were the public not interested, had lost his right to equitable relief. Thus in Godden *v.* Kimmell, where the opinion was also written by Mr. Justice Clifford, the same who had written the opinion in McLean *v.* Fleming, it is stated (p. 201; 99 U. S.):

" *Stale claims are never favored in equity, and where* " *gross laches is shown and unexplained acquiescence in* " *the operation of an adverse right, courts of equity fre-* " *quently treat the lapse of time, even for a shorter period* " *than the one specified in the Statute of Limitations, as* " *a presumptive bar to the claim. Stearns* v. *Page,* 7 " *How.*, 819; *Badger* v. *Badger,* 2 *Cliff,* 154."

And in the same opinion it is further stated, as follows (p. 212):

" *When a party appeals to the conscience of the Chan-* " *cellor in support of a claim, says Mr. Justice Field,* " *where there has been laches in prosecuting it or long ac-* " *quiescence in the assertion of adverse right, he should* " *set forth in his bill specifically what were the impedi-* " *ments to an earlier prosecution of the claim; and if* " *he does not, the Chancellor may justly refuse to consider* " *'his case on his own showing, without inquiring whether* " *there is a demurrer or any formal plea of the statute* " *of limitations contained in the answer. Marsh v.* " *Whitmore,* 21 *Wall.*, 185.

" *Laches and neglect, says Mr. Justice Swayne, are in-* "*variably discountenanced in equity, and therefore there* "*has always been a limitation of suits in such Courts* "*from the beginning of their jurisdiction. Limitations* " *of the kind are dictated by experience, and are founded* " *on a salutary policy, as the lapse of time carries with it* " *the memory and life of witnesses, the muniments of evi-* " *dence, and the other means of judicial proof. Brown* v. " *County of Buena Vista,* 95 *U. S.*, 161."

In Landsdale *v.* Smith (106 U. S., 391) the opinion of the Court was written by Mr. Justice Harlan, and begins with these words:

"*It has been a recognized doctrine of Courts in Equity,* "*from the very beginning of their jurisdiction, to withhold* "*relief from those who have delayed for an unreasonable* "*length of time in asserting their claims. Elmendorf* v. "*Taylor,* 10 *Wheat,* 152; *Piatt* v. *Vattier,* 9. *Pet.* 405; "*Maxwell* v. *Kennedy,* 8 *How.,* 210; *Badger* v. *Badger,* 2 "*Wall.,* 87," *etc.*

In Gleason *v.* District of Columbia, 127 U. S., pp. 133–138, this Court, speaking through Mr. Justice Miller, said:

"*His entire neglect also to make any appearance before* "*the Board of Audit* * * * *and his knowledge of the* "*fact that he had, himself, placed in the hands of others* "*the means of asserting the claim which he now brings* "*against the District of Columbia, are all evidence of* "*such laches and neglect as, in our judgment, precludes* "*his right to recover in this action.*

See also Richards *v.* Mackall, 124 U. S., 183, where the Court, speaking through Mr. Justice Harlan, uses the following language (page 187):

"*Is appellee entitled to relief in a court of equity in* "*respect to the sale of June* 13, 1870? *In Badger* v. "*Badger,* 2 *Wall.,* 87, 95, *it was said that a party who* "*makes an appeal to the conscience of the Chancellor* "*should 'set forth in his bill specifically what were* "*'the impediments to an earlier prosecution of hts claim;* "*'how he came to be so long ignorant of his rights, and* "*'the means used by the respondent to fraudulently* "*'keep him in ignorance; and how and when he first* "*'came to a knowledge of the matters alleged in his bill;* "*'otherwise, the Chancellor may justly refuse to consider* "*'his case, on his own showing, without inquiring* "*'whether there is a demurrer or formal plea of the* "*'Statute of Limitations in his answer.' So in Sullivan* "v. *Portland, &c., Railroad Co.,* 94 *U. S.,* 806, 811: '*To*

" ' *let in the defense that the claim is stale, and that the*
" ' *bill cannot, therefore, be supported, it is not necessary*
" ' *that a foundation be laid by any averment in the answer*
" ' *of defendants. If the case, as it appears at the hearing,*
" ' *is liable to the objection by reason of the laches*
" ' *of the complainants, the Court will, upon that ground,*
" ' *be passive and refuse relief.' In the latter case, it was*
" *said that equity would sometimes refuse relief where*
" *a shorter time than that prescribed by the statute had*
" *elapsed without suit. See also Hume* v. *Beale*, 17 *Wall.*,
" 336; *Marsh* v. *Whitmore*, 21 *Wall.*, 178, 184, 185; *Hay-*
" *ward* v. *National Bank*, 96 *U. S.*, 611, 617; *Speidel* v.
" *Henrici*, 120 *U. S.*, 377, 387."

In Speidel *v.* Henrici, 120 U. S., 377, the Court, speaking through Mr. Justice Gray, used the following language (page 387):

" *Independently of any Statute of Limitation, courts*
" *of equity uniformly decline to assist a person who has*
" *slept upon his rights and shows no excuse for his*
" *laches in asserting them. 'A court of equity,' said*
" *Lord Camden, 'has always refused its aid to stale de-*
" *'mands, where the party slept upon his rights, and ac-*
" *'quiesced for a great length of time. Nothing can call*
" *'forth this Court into activity, but conscience, good faith*
" *' and reasonable diligence; where these are wanting, the*
" *' Court is passive, and does nothing. Laches and neg-*
" *'lect are always discountenanced, and therefore, from*
" *' the beginning of this jurisdiction, there was always a*
" *'limitation to suits in this Court.' Smith* v. *Clay*, 3
" *Bro. Ch.*, 640, *note. This doctrine has been repeatedly*
" *recognized and acted on here. Piatt* v. *Vattier*, 9 *Pet.*,
" 405; *McKnight* v. *Taylor*, 1 *How.*, 161; *Bowman* v.
" *Wathen*, 1 *How.*, 189; *Wagner* v. *Baird*, 7 *How.*, 234;
" *Badger* v. *Badger*, 2 *Wall.*, 87; *Hume* v. *Beale*,
" 17 *Wall.*, 336; *Marsh* v. *Whitmore*, 21 *Wall.*, 178;
" *Sullivan* v. *Portland and Kennebec Railroad*,
" 94 *U. S.*, 906; *Godden* v. *Kimmell*, 99 *U.*
" *S.*, 201. *In Hume* v. *Beale, the Court, in*
" *dismissing, because of unexplained delay in suing, a*
" *bill by* CESTUIS QUE TRUST *against a trustee under a deed,*

" *observed that it was not important to determine whether*
" *he was the trustee of a mere dry legal estate or whether*
" *his duties and responsibilities extended further.* 17
" *Wall,* 348. *See also Bright* v. *Legerton,* 29 *Beavan,* 60,
" *and* 2 *D., F. & J.,* 606.

" *When the bill shows upon its face that the plaintiff,*
" *by reason of lapse of time and of his own laches, is not*
" *entitled to relief, the objection may be taken by demurrer.*
" *Maxwell* v. *Kennedy,* 8 *How.,* 210; *National Bank* v.
" *Carpenter,* 101 *U. S.,* 567; *Lansdale* v. *Smith,* 106 *U.*
" *S.,* 391."

See also Graham *v.* Boston, &c., Railway Co., 118 U. S., 161; Holgate *v.* Eaton, 116 U. S., 33; Wollensak *v.* Reiher, 115 U. S., 96.

In the latter case the Court, speaking through Mr. Justice Matthews, used the following language (page 101):

" *This rule of equity pleading applies in analogous*
" *cases; as where, it otherwise appearing on the face of*
" *the bill that the claim is stale, or is barred by lapse of*
" *time, and it is sought to avoid the effect of such a bar,*
" *on the ground that the fraud complained of was con-*
" *cealed, and has been only recently discovered, it is neces-*
" *sary that 'the particular acts of fraud or concealment*
" *'should have been set forth by distinct averments, as well*
" *'as the time when discovered, so that the Court may see*
" *'whether, by the exercise of ordinary diligence, the dis-*
" *'covery might not have been before made.' Beaubien* v.
" *Beaubien,* 23 *How.,* 190; *Stearns* v. *Page,* 7 *How.,* 819;
" *Moore* v. *Greene,* 19 *How.,* 69; *Marsh* v. *Whitmore,* 21
" *Wall.,* 178, 185; *Godden* v. *Kimmell,* 99 *U. S.,* 201;
" *Badger* v. *Badger,* 2 *Wall.,* 87, 95; *Wood* v. *Carpenter,*
" 101 *U. S.,* 135; *Landsdale* v. *Smith,* 106 *U. S.,* 391."

See also the following authorities:

" *And we are of opinion that the lapse of time is upon*
" *the principles of a court of equity, a clear bar to the*
" *present suit, independently of the statute. There has*
" *been a clear adverse possession of thirty years without*
" *the acknowledgment of any equity or trust estate in*

" *Bartle, and no circumstances are stated in the bill, or*
" *shown in the evidence, which overcome the decisive in-*
" *fluence of such an adverse possession. The established*
" *doctrine, or as Lord Redesdale phrased it, in Hovenden*
" v. *Annesley*, 2 *Sch. & Lef.*, 637, 638, '*the law of courts*
" '*of equity,' from its being a rule adopted by those courts,*
" *independently of any positive legislative limitations, is,*
" *that it will not entertain stale demands. Lord Camden,*
" *in Smith* v. *Clay*, 3 *Brown's Ch. Rep.*, 640, *note, stated*
" *it in a very pointed manner. 'A court of equity,' said*
" *he, 'which is never active in relief against conscience or*
" '*public convenience, has always refused its aid to stale*
" '*demands, where the party has slept upon his rights, or*
" '*acquiesced for a great length of time. Nothing can*
" '*call forth this Court into activity but conscience, good*
" '*faith and reasonable diligence. Where these are want-*
" '*ing, the Court is passive and does nothing; laches and*
" '*neglect are always discountenanced; and, therefore,*
" '*from the beginning of this jurisdiction there was also*
" '*a limitation of suit in this Court.'* "

Piatt *v.* Vattier, 9 Peters, 405, 416.

" *But there is a defense peculiar to courts of equity,*
" *founded on lapse of time and the staleness of the*
" *claim, where no statue of limitations directly governs*
" *the case. In such cases, courts of equity often act*
" *upon their own inherent doctrine of discouraging,*
" *for the peace of society, antiquated demands, by re-*
" *fusing to interfere where there has been gross laches*
" *in prosecuting rights, or long acquiescence in the*
" *assertion of adverse rights* (2 *Story Eq.*, § 1520), *a*
" *court of equity will not give relief against conscience*
" *or public convenience where a party has slept upon*
" *his rights. 'Nothing,' says Lord Camden,* 3 *Bro.*
" *Ch. R.*, 640, '*can call forth this Court into activity*
" '*but conscience, good faith and reasonable diligence;*
" '*when these are wanting, the Court is passive and*
" '*does nothing.' Length of time necessarily obscures all*
" *human evidence, and deprives parties of the means*
" *of ascertaining the nature of original transactions;*
" *it operates by way of presumption in favor of the*

"*party in possession. Long acquiescence and laches*
"*by parties out of possession are productive of much*
"*hardship and injustice to others, and cannot be*
"*excused but by showing some actual hinderance or*
"*impediment caused by the fraud or concealment of the*
"*party in possession which will appeal to the conscience*
"*of the Chancellor. The party guilty of such laches can-*
"*not screen his title from the just imputation of staleness,*
"*merely by the allegation of an imaginary impediment or*
"*technical disability.*"

Wagner *v.* Baird, 7 Howard, 234, 258.

"*But there is a defense peculiar to courts of equity*
"*founded on lapse of time and the staleness of the*
"*claim where no statute of limitation governs the case.*
"*In such cases courts of equity act upon their own in-*
"*herent doctrine of discouraging, for the peace of society,*
"*antiquated demands, refuse to interfere where there has*
"*been gross laches in prosecuting the claim, or long*
"*acquiescence in the assertion of adverse rights. Long ac-*
"*quiescence and laches by parties out of possession are pro-*
"*ductive of much hardship and injustice to others, and can-*
"*not be excused* BUT BY SHOWING SOME ACTUAL HINDRANCE
"OR IMPEDIMENT CAUSED BY THE FRAUD OR CONCEAL-
"MENT OF THE PARTIES IN POSSESSION, WHICH WILL AP-
"PEAL TO THE CONSCIENCE OF THE CHANCELLOR.

"*The party who makes such appeal* SHOULD SET FORTH
"IN HIS BILL SPECIFICALLY WHAT WERE THE IMPEDIMENTS
"TO AN EARLIER PROSECUTION OF HIS CLAIM; *how he came*
"*to be so long ignorant of his rights, and the means used*
"*by the respondent to keep him in ignorance; and who*
"*and when he first came to a knowledge of the matters*
"*alleged in his bill, otherwise the chancellor may justly*
"*refuse to consider his case, on his own showing.*"

Badger *vs.* Badger, 2 Wall., 94.

See also McLaughlin *v.* People's Railway Company, reported in Official Gazette, Pat. Off., Vol. 29, p. 277 (S. C. Federal Reporter, Vol. 21, p. 574):

"*The single question which I deem necessary to consi-*
"*der is whether there has been such laches on the part of*

*" complainant as will prevent a court of equity from tak-
" ing cognizance of this suit. The bill shows no excuse
" for his delay, neither ignorance of the conduct of the de-
" fendant, nor inability on the complainant's part to as-
" sert his rights. It is left upon the naked assertion that
" the patent existing for now over fifteen years the defend-
" ant has for thirteen years been infringing thereon. Under
" these circumstances, whatever action at law he may have
" for damages, I think his own laches such as prevents a
" court of equity from interfering by injunction. * * *
" Now, generally speaking, the laches of complainant is
" sufficient ground for non-interference on the part of a
" court of equity. Nearly all the lifetime of this patent
" the complainant has remained silent, by his silence con-
" senting to, or at least acquiescing in, the acts of the de-
" fendant.* TO INTERFERE NOW BY INJUNCTION WOULD SEEM
" MANIFESTLY INEQUITABLE. *That this question of laches
" can be raised by demurrer, and that it is a good defense
" to a bill in equity, is abundantly sustained by the au-
" thorities—"*

So, Judge Story, in the case of Wyeth *vs.* Stone, 2 Robb., 23, 31 (1 Story, 273), made use of the following language:

*" In the next place, as to Wyeth's supposed abandon-
" ment of his invention to the public, since he obtained his
" patent. I agree that it is quite competent for a patentee
" at any time, by overt acts, or by express dedication, to
" abandon or surrender to the public, for their use, all the
" rights secured by his patent, if such is his pleasure,
" clearly and deliberately expressed. So, if, for a series
" of years, the patentee acquiesces without objection in the
" known public use by others of his invention, or stands by
' and encourages such use, such conduct will afford
" a very strong presumption of such an actual
" abandonment or surrender.* A FORTIORI, *the doctrine
" will apply to a case where the patentee has openly en-
" couraged or silently acquiesced in such use by the de-
" fendants whom he afterwards seeks to prohibit, by in-
" junction, from any further use; for in this way he may*

" *not only mislead them into expenses or acts or contracts,*
" *against which they might otherwise have guarded them-*
" *selves,* BUT HIS CONDUCT OPERATES AS A SURPRISE, IF
" NOT AS A FRAUD UPON THEM. *At all events, if such a de-*
" *fense were not a complete defense at law in a suit for*
" *any infringement of the patent, it would certainly furn-*
" *ish a clear and satisfactory ground why a Court of*
" *Equity should not interfere, either to grant an injunction*
" *or to protect the patentee, or to give any other relief.*
" *This doctrine is fully recognized in Rundell* v. *Murray,*
" *Jacob's R.*, 311, 316, *and Saunders* v. *Smith,* 3 *Mylne &*
" *Craig,* 711, 728, 730, 735. *But if there were no author-*
" *ity on the point I should not have the slightest difficulty*
" *in asserting the doctrine as found in the very nature*
" *and character of the jurisdiction exercised by courts of*
" *equity on this and other analogous subjects.*

" *There is certainly very strong evidence in the present*
" *case, affirmative of such an abandonment or surrender,*
" *or at least of a deliberate acquiescence by the patentee in*
" *the public use of his invention by some or all of the de-*
" *fendants without objection, for several years.* THE PAT-
" ENT WAS OBTAINED IN 1829; AND NO OBJECTION WAS
" MADE, AND NO SUIT WAS BROUGHT AGAINST THE DEFEND-
" ANTS FOR ANY INFRINGEMENT UNTIL 1839, *although their*
" *use of the invention was, during a very considerable*
" *portion of the intermediate period, notorious and con-*
" *stant, and brought home directly to the knowledge of the*
" *patentee.*

" * * * * IT IS THE ACQUIESCENCE IN THE KNOWN USE
" BY THE PUBLIC, WITHOUT OBJECTION OR QUALIFICATION,
" AND NOT THE EXTENT OF THE ACTUAL USER, WHICH CON-
" STITUTES THE GROUND UPON WHICH THE COURTS OF
" EQUITY REFUSE AN INJUNCTION IN CASES OF THIS SORT.
" *The acquiescence in the public use for the domestic trade*
" *of the plaintiff's invention for cutting ice, admits that the*
" *plaintiff no longer claims or insists upon an exslusive*
" *right in the domestic trade under the patent; and then,*
" *he has no right to ask a court of equity to restrain the*
" *public from extending the use to foreign trade, or for*
" *foreign purposes. If he means to surrender his exclu-*
" *sive right in a qualified manner, or for a qualified*

" trade, he should at the very time give public notice of " the nature and extent of his allowance of the public use " so that all persons may be put upon their guard, and not " expose themselves to losses or perils which they have no " means of knoming or averting during his general silence " and acquiescence.

" The cases which have been already cited fully esta- " blish the doctrine, that courts of equity constantly re- " fuse injunctions, even where the legal right and title of " the party are acknowledged, when his own conduct has " led to the very act or application of the defendants of " which he complains, and for which he seeks redress. " And this doctrine is applied, not only to the case of the " particular conduct of the party towards the persons with " whom the controversy now exists, but also to cases where " his conduct with others may influence the Court in the " exercise of its equitable jurisdiction. Under such cir- " cumstances, the Court will leave the party to assert his " rights, and to get what redress he may at law, without " giving him any extraordinary aid or assistance of its " own."

See also in this connection:

Curtis on Patents, §§ 440, 441.
Walker on Patents, §§ 596, 597.
Glenn *v.* Dorsheimer, 24 Fed. Rep., 538.

We feel satisfied that in the light of these numerous authorities the question of laches as between the interest of private litigants, is one proper to be raised by defendant, and will avail him if the charge is proven. McLean *v.* Fleming, seems to mark the distinction that where the general public is interested as a third party, and where it appears that the public will be injured by the false representations of the defendant, the question of laches will be pertinent only so far as complainants' right to an accounting is concerned; the injunction being, however, granted, not because complainant is in an equitable position, but because the public, and the public only, has to be protected.

In the present case nothing appears to show that the

public interests are at stake. The term "La Favorita" has been so thoroughly used in competition with the complainants by numerous manufacturers and dealers in flour, that the public has been educated—to say the least—to mark the distinction between goods of different dealers by noting their names on the packages. The term "La Favorita," without the name of the dealer, does not inform the public of the origin or ownership of the brand, and of the place where the goods are manufactured or put up. Hence, we believe the Court below erred in allowing an injunction.

In the case of McLean *v.* Fleming, it is perhaps worthy of note that three of the main cases relied on in the opinion to support the views there expressed seem to be erroneously quoted.

The opinion states, p. 253:

"*Equity courts will* NOT, *in general, refuse an injunc-*
"*tion on account of delay in seeking relief, where the*
"*proof of infringement is clear, even though the delay*
"*may be such as to preclude the party from any right to*
"*an account for past profits. Rodgers* v. *Rodgers*, 31
"*L. T.*, 285; *Blackwell* v. *Crabb*, 45 *L. J., Pt.* 1, 505."

But in both cases the injunction was *refused.* The Blackwell case will be found in 36 L. J. Ch., 504.

Then on page 257 in the case of McLean *v.* Fleming, it is stated:

"*Cases frequently arise where a court of equity will*
"*refuse the prayer of the complainant for an account of*
"*gains and profits, on the ground of delay in asserting*
"*his rights, even when the facts proved render it proper*
"*to grant an injunction to prevent future infringement.*
"*Harrison* v. *Taylor*, 11 *Jur. N. S.* 408; *Cox, Trade*
"*Marks*, 541."

While the case of Harrison *v.* Taylor, as reported on page 675 of Cox's American Trade Mark Cases, shows that in May, 1863, the defendants began to use the infringing trade mark, that in May, 1864, the bill was filed against them, thus showing a lapse of barely one year,

The Court in this Harrison case said:

" Upon the question of delay, no doubt the plaintiffs " ought to have filed the bill sooner, but the defendants " had *perservered in the use of the mark after being cau-* " *tioned.* * * * The plaintiffs having delayed so long " before coming to the Court could have no account of " profits. The defendants would have a month's time to " discontinue the mark but must pay all the costs."

Where the delay was but one year and the defendant had had notice of complainants' protest during the year, the above ruling would appear to be in harmony with previous decisions. In the present case the defendant's Menendez. never had *any* notice of protest.

Sixth.—*Has the Court jurisdiction in case No. 76 against A. V. Ryder?*

This suit 76, is not between citizens of different States; therefore the Court does not have jurisdiction on the ground of diversity of citizenship. The infringement is charged as having taken place in the Southern District of New York; no sale to any foreign country is alleged or admitted by the answer. Hence if the case of Schumacher *v.* Schwencke, 26 Fed. Rep., 818, was correctly decided, the United States Courts do not take jurisdiction by reason of any registration of the alleged trade-mark, it not appearing that the sale objected to took place in a foreign country. Judge Wheeler in deciding that case said:

" *The Courts of the United States have no jurisdiction* " *of suits like this, unless it is given by statute under* " *which the trade-mark was registered. Trade-mark* " *Cases,* 100 *U. S.,* 82; *Luyties* v. *Hollender,* 21 *Fed. Rep.,* " 281; 21 *St. at Large,* 504, *c.,* 138, § 11. * * * *The* " *orator may have a valid trade-mark, and an exclusive* " *right to its use in New York; but, if so, his rights in*

"*that respect do not rest upon the laws of the United* "*States.*"

But there is, as we have shown, a stipulation in the Record of Cause No. 77, which provides that the Ryder suit shall abide the decision of the Menendez suit.

In Phillips' Practice of the Supreme Court, 2 Ed., page 16, we find the following:

"*It is scarcely necessary to add, that no consent or* "*agreement of parties can authorize the Court to enter-* "*tain jurisdiction of a cause which is not within the consti-* "*tutional limitation, and which is not brought before the* "*Court under the conditions and regulations prescribed* "*by Congress.*"

In ex parte Smith, 94 U. S., 455, this Court, speaking through Mr. Chief Justice Waite, said:

"*There are no presumptions in favor of the jurisdiction* "*of the Courts of the United States.*"

See also Suydam *v.* Williamson, 20 How., 433.

As consent does certainly not give jurisdiction, it is probable that the Court below erred in assuming jurisdiction in case No. 76.

For all these reasons we respectfully submit that the decree of the Court below in each of these cases granting injunctions, and costs should be reversed.

Very respectfully,

ARTHUR V. BRIESEN,
Of Counsel for Appellants.

NEW YORK, October 22, 1888.

Supreme Court of the United States,

OCTOBER TERM, 1888.

ALFRED V. RYDER,

Appellant,

vs. **No. 76.**

ROBERT S. HOLT et al.,

Appellees.

JOSE MENENDEZ et al.,

Appellants,

vs. **No. 77.**

ROBERT S. HOLT et al.,

Appellees.

APPEAL FROM THE CIRCUIT COURT OF THE UNITED STATES, FOR THE SOUTHERN DISTRICT OF NEW YORK.

BRIEF OF ARGUMENT FOR APPELLEES.

BURGOYNE QUICK PRINTING CO., COR. WALKER AND CENTRE STS., N. Y.

Supreme Court of the United States.

OCTOBER TERM, 1888.

ALFRED V. RYDER, Appellant, vs. ROBERT S. HOLT ET AL., Appellees.	No. 76.
JOSE MENENDEZ ET AL., Appellants, vs. ROBERT S. HOLT ET AL., Appellees.	No. 77.

APPEALS FROM THE CIRCUIT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK.

Brief on behalf of the Appellees.

These are appeals from decrees of the Circuit Court of the United States for the Southern District of New York, entered March 19, 1885. They relate to the

same subject. No. 77 was argued in the Court below and it was agreed by counsel that No. 76 should abide the event of the decision. There was a decree for the complainants in No. 77 and in pursuance of the agreement a similar decree was entered in No. 76.

The opinion of the learned Judge in the Court below (Record, 119) discusses and decides all the material points which are involved in the issue.

The appellees filed their bill alleging that they were the owners of a certain trade-mark for flour, which consisted of the fanciful words "La Favorita," that the said brand or trade-mark "La Favorita" was originated by the firm of Holt & Company, which firm had used it for a period of more than twenty years, and that all the rights in the premises had been vested in the complainants who constituted the present firm; that the said trade-mark had been so used to distinguish and identify a certain flour of their, the said Holt & Company's, selection and preparation; that said firm at all times exercised great care in the selection, packing and preparation of the flour packed and sold by them under the said brand "La Favorita," and had carefully advertised the same, and by their care and efforts extensively introduced it to the trade so that the said brand had come to be widely known and sought after by the trade. It is further alleged that the sale of said brand constituted an important part of the business of the complainant; that it was applied by stenciling it on the barrels, and that it had been duly registered as a trade-mark by the complainants in pursuance of law.

The defendants were charged with having made use

of the said brand of the complainants as a mark for flour, not that of the complainants, by applying the brand "La Favorita" to flour of their own preparation or selection in violation of complainants' rights.

The answer admitted the existence of the trade-mark "La Favorita" (Record, fol. 13), and admitted that the defendants had used it, but alleged that it had been applied by one Stephen O. Ryder who "was a member of the firm of Holt & Co. in 1861 and was one of the originators of the said trade-mark La Favorita," and has always and does now own and use the same as a proprietor and owner thereof, and used the same as his individual trade-mark, and has always been entitled to use the same. It was alleged that the brand "La Favorita" was used by said Ryder in connection with his own name and in such a manner that the goods resemble those of the complainants only because both flours were "La Favorita."

This was the only defence attempted to be made by the answer. The existence and legality of the trade-mark were admitted and its use by defendants justified on the ground that Ryder had an interest in it which warranted his use of it and therefore the use of it by the defendants.

It was, however, suggested that for a period of twelve years the brand "La Favorita" had been used by Ryder and others without objection on the part of complainant and upon the argument it was urged that this fact constituted inexcusable laches which stood in the way of any relief.

After Ryder's deposition (Record, p. 68) was closed

defendants attempted to show a prior use of the name "La Favorita" as a trade-mark for flour. To this line of proof complainants' counsel made seasonable objection on the ground that it was "immaterial and irrelevant as tending to prove a defense not set up in the answer" (page 112), which objection was insisted upon during the whole of the taking of testimony and was urged upon the argument.

All of the issues are clearly stated and disposed of by the opinion of the Court below.

The findings of fact were the only ones possible under the evidence. We refer to those relating to the main question in an appendix to this brief to which attention is directed.

The three material defences relate to:

1. The alleged title of Ryder growing out of his connection with the firm of Holt & Company.

2. The contention that as the mark is used only to indicate selection and packing for the market, it cannot be protected as a trade-mark.

3. Whatever rights the complainants once had have been forfeited by laches.

4. The defense, (which was not pleaded and which is inconsistent with the allegations of the answer), that the word "La Favorita" had been used as a brand for flour before it was used and popularized by Holt & Co.

1. The alleged title of Ryder, &c.

We think that it is not possible to examine the evidence without perceiving that the finding of the

Court below "that at the time of his withdrawal Ryder expressly relinquished all rights to the copartnership brands" admits of no doubt. The Court below says:

> "Ryder had been a clerk, and from that position
> "was promoted to a partnership. His retirement
> "was an event of but little more importance than
> "the change of a bookkeeper or salesman. The
> "firm still lived. It was the intention of the
> "remaining partners to continue to transact the
> "old business in the old way. That Holt & Com-
> "pany, desiring to retain the good will of the firm
> "unimpaired, should have permitted Ryder to
> "despoil them of the distinguishing brands upon
> "which their success largely depended, without a
> "word of remonstrance, is hardly credible. But
> "when to the presumptions thus arising is added
> "the positive testimony that at the time of his
> "withdrawal Ryder expressly released all right
> "to the copartnership brands, followed by his
> "equivocal denial, it is very clear that the defense
> "based upon his title must fail. Proof and
> "probability unite in pointing to this conclusion."

The facts which support this conclusion are given in an appendix.

2. The defense that the mark is used only to indicate selection and packing for the market.

The Court below overruled this defense on the authority of Godilot vs. Harris, 81 N. Y., 267.

"The proof," his Honor said, "is uncontradicted
"that selection and classification requires skill,
"judgment and expert knowledge, and adds value
"and reputation to the flour when made by those
"in whom purchasers have confidence."

That the selection of an article may afford a foundation for the application of a mark to indicate that it has been selected is axiomatically plain. Indeed, it is questionable whether the exercise of the judgment of a manufacturer is anything more than a selection of materials and the ways and means of treating them.

The miller exercises judgment in the selection of his wheat, and perhaps the means of grinding it; the shipper exercises his judgment in selecting the wheat that has been reduced to flour, and in storing, packing and shipping it.

That the shipper exercises skill, that the skill is more and better than in the case of the miller, is made plain by Ryder's deposition. He says:

"Q. Do you think it requires any skill to select
"flour?
"A. I do.
"Q. Do you think it requires as much as it does
"to make it?
"A. I do.
"Q. Do you think it requires more skill to
"select it than to make it?
"A. I do" (Record, fol. 120).

This testimony is confirmed by that of other witnesses.

There is no room for difference of opinion as to the

law. We need go no further than the case cited by the Court. It is there said:

> " The plaintiff acquired the right to the exclu-
> " sive enjoyment of the trade-mark, * * * and
> " this is so, although the goods were manufactured
> " for him, and not by himself, for he had the same
> " legal right to affix and maintain a special trade-
> " mark in one case as in the other. (Walton vs.
> " Crowley, *supra;* Amoskeag Manuf. Co. vs.
> " Spear, 2 Sandf., 599; Taylor vs. Carpenter, 2
> " Sandf. Ch., 614). To the same effect is the de.
> " cision of this Court in Congress Spring Co. vs.
> " High Rock Spring Co. (45 N. Y., 291), where the
> " rule laid down in Amoskeag Manuf. Co. vs.
> " Spear, *supra*, is cited and enforced."

Any exercise of judgment by a merchant or manufacturer may be symbolized by a mark and the mark will be protected by a court of equity. Hennessy vs. Kennet, Cox's Manual, Case No. 556; *Ib.*, Case, No. 650; *Ib.*, Case, No. 138.

3. The question of laches.

The Court below applied the rule of McLean vs. Fleming, 96 U. S., 245, that the effect of the acquiescence did not destroy the complainants' right to an injunction, but precluded an account. This rule has been settled law since it was announced by this Court. In this instance, the complainants have never failed to protest and to make known the fact that they claimed the brand in question.

The reason for the delay in taking action against infringers is thus explained by Mr. Holt, on cross-examination:

"Q. Why, then, have you selected this brand "'La Favorita' for controversy?

"A. I was holding the copyright of it.

"Q. Did that make any difference about your "dislike to controversies?

"A. No difference to my disinclination.

"Q. Is there not some other reason then?

"A. Certainly there is.

"Q. Is not the real reason because you have been "pushed in competition with the brand 'La Favor-"ita'?

"A. If others had not used it, thereby com-"peting with us, there would be no occasion for "this suit.

"Q. Is that, then, the real occasion of this suit?

"A. It is.

"Q. Why was there not the same occasion for "suit upon the other infringements?

"A. The other infringements, as far as my firm "were aware, were not sufficient in extent to make "us consider it worth while" (Record).

It is certain that the complainants never in any way assented to the suggestion that they were not the owners of the brand. They simply omitted to commence suit, in instances where investigation might have disclosed the existence of piracy.

But we submit that the duty will never be imposed upon a successful manufacturer of pursuing in the Courts every pirate who crosses his path. If this de-

fense were a good one, the destruction of perhaps every famous brand in existence would be accomplished. It is matter of common knowledge that the most conspicuous brand of almost every industry is pirated. The spurious goods are constantly encountered in the market. It is impossible to say that the pirates may, by long-continued wrong-doing, displace the title of the injured party.

It may be true that at one time doubts existed as to the effect of acquiescence in the use of a trade-mark, but these doubts have been permanently set at rest by McLain vs. Fleming. It there appeared that the complainant had acquiesced in the use of his trade-mark by the defendant for a period of many years.

> " Evidence of a decisive character," say the Court, " is exhibited in the record, to show that " the complainant or his predecessor knew through- " out what description of labels and trade-marks " the respondent was using, and it does not ap- " pear that any objection was ever made except " as heretofore stated and explained. Once the " respondent was requested to insert the initials " of his Christian name before his surname in " the label, and it appears that he immedi- " ately complied with the requests. * * * " Acquiescence of long standing is proved in this " case, and inexcusable laches in seeking redress, " but * * * the infringement having been " proven * * * an injunction was properly " ordered."

The Court accordingly sustained the decree below

granting an injunction, but refused to order an account.

This case settled the law upon the subject. It is manifest that the facts submitted here to support the acquiescence fall very far short of those which the Court of last resort held to be insufficient.

There is really no acquiescence here. It is plain that unless the owner of the trade-mark has knowledge of the infringement, there is no foundation whatever for a charges of laches. *Sawyer vs. Kellogg*, 7 Fed. Rep., 720.

It is shown that complainants notified all the infringers except Ryder, as soon as they learned the facts (fols. 68 and 72).

In the case of Ryder there was the proceeding before the Produce Exchange, which was tantamount to a suit and more serious in its consequences and, after that date, several protests.

The complainants postponed legal proceedings, because the piracy was not of sufficient dimensions to be a matter of moment and because they were reluctant to injure Ryder; they did not in any way give him reason to believe that they acquiesced in any pretended right to use the brand.

4. The defense of prior public use.

This defense was not referred to in the answer and we submit that not having been pleaded it will not be

considered, but if it is considered it plainly falls short of that degree of certainty which is demanded to destroy a valuable right of property.

In the matter of priority of use there is no color of resemblance between a trade-mark and a patent. The symbol or word which is used as a trade-mark may be of the most usual description. It is the adoption and application of the symbol or word which is protected, and we submit that the rule is settled that prior use to be of any force must be such as to amount to a real employment of the symbol or word as a trade-mark.

If it appears from the evidence that the complainants' use is the only genuine use for the purpose of denoting origin, any accidental or temporary application of the mark at an earlier date is immaterial.

It necessarily happens in many cases that a merchant or manufacturer will select a symbol or word without knowledge of the fact that it may have been used, or even may be in use, by others, but if the facts show that the earlier use has been discontinued or the earlier signification of the mark destroyed, the fact that it once had a signification counts for nothing.

Here it is plain to a certainty that the appellees in the words of the House of Lords invested the name "La Favorita" with a "*secondary meaning*" so that it signified their goods. This being so, the circumstances that it may be shown that it once had some other meaning is without weight or sequel.

We think the evidence shows beyond doubt that whatever use there was of the term "La Favorita" before its adoption and popularization by the complain-

ants was merely fortuitous; that it continued but a short time, and was, in the language of one of the witnesses, "as DEAD AS CHELSEA," before it was adopted by Holt & Company.

Four witnesses were called to establish a prior use at the City of St. Louis. Of these witnesses, two, Goddard and Bridges, said that the designation "La Favorita" was used by the firm of Sears & Company from 1857 or 1858 to 1860; the other two witnesses were unable to say positively that they knew of its having been used before 1861.

All of the witnesses say without hesitation or qualification that the brand has not been on sale it St. Louis for upwards of twenty years.

Whatever use there was was by the firm of Sears & Co., whose mills were sold to one Kehlor, whose title has been vested in complainants (fol. 175).

Goddard, one of the witnesses, says that he commenced using "La Favorita," not as a regular brand, but for occasional use; that he did not use this brand long. On cross-examination he says: "I have not known of any sales of 'La Favorita' flour in twenty years."

"Q. Do you regard this as a leading [living] brand?

"A. No, sir; it is *as dead as Chelsea*" (page 115).

Bin, another witness, referring to the time when "La Favorita" was used, says: "I think it was before 1860, but I am not sure." On cross-examination he states that he can't swear to the year, but it was manufactured from 1858 to 1860. I can't swear that I have seen it later than 1860."

Bridges says that he thinks the first time the brand was used it was not used more than six months; that

it was "hung up and other brands took the place of it. Think the last time I saw the brand was in 1863 and I have not seen it since."

It can hardly be necessary to comment at length upon testimony of such uncertain character. It is not shown by these witnesses that there was ever a continuous use of the brand by any one. The most that can be urged is that there may have been a fortuituous use, which we submit must go for nothing.

In *Colman* vs. *Crump*, 70 N. Y., 573, it was shown that the trade-mark had been used before the date of its adoption by the plaintiffs. The Court, referring to the fact, said, "Its use by others had been casual and occasional, and as an ornamentation rather than as a distinguishing mark for the mustard manufactured and sold; and it does not appear to have been used as a trade-mark as that term is understood." In other words, the use, as here, was not such as to create a right of property; it was casual and occasional—a fortuitous use without the intention to give it currency in the market as a means of denoting origin and ownership.

But even if Sears & Company used the designation to such an extent that for a period of some years it was associated in the minds of the public with their product, the fact is of no consequence. They gave up its use; it became obsolete as a mark, and afterwards acquired a new meaning by reason of its use in connection with the flour of Holt & Company. The defendant's contention is that the designation "La Favorita" could not in, say, 1861, be adopted by Holt & Com-

pany as a trade-mark because it had been used by Sears & Cempany for several years. But the proof is that in 1861 it did not serve to identify the flour of Sears & Company, because they had given up its use. It was a term that designated the product of no one ; that was in the same condition as if it had never been used ; it might, therefore, be lawfully appropriated by any one, and was so appropriated by Holt & Company.

The defendants must reason that the effect of this evidence of prior use is either to vest the title to the brand in Sears & Co. and their assigns or to render it *publici juris.*

It certainly cannot be necessary to argue that the title is not in Sears & Co. as against the complainants whose goods the brand has served to identify for nearly a quarter of a century.

And it cannot be said that the effect of the so-called prior use was to render the brand *publici juris* because it has not been used in the St. Louis market for twenty years, and because it is unknown in that market now except as denoting the flour of Holt & Company.

It was held in the case of *Blackwell* vs. *Dibrell*, 14 O. G., 633, that a non-user of a mark for eight years, during which period it was adopted by the complainant, operated to extinguish the title of the person who had first used it even though the use of the mark had been resumed.

" That the right to use a trade-mark may be lost," say the Court, " by abandonment or disuse is too clear to need argument or the support of authorities." " The law of the subject is stated in the Chapter on Aban-

donment, Sections 674 to 691, Browne on Trade-mark." *Ib.*

We respectfully submit that the opinion of the learned Judge in the Court below correctly decides all the points involved in the case, and that the decree should be affirmed.

ROWLAND COX,
Of Counsel for Appellees.

APPENDIX.

Our contention is that before retiring from the firm of Holt & Company Ryder surrendered his right to all the brands of the firm, including the brand "La Favorita."

The question is one of fact, and we venture, at the risk of taxing the patience of the Court, to review the testimony at considerable length.

The following is an outline of the transaction which took place at or about the time of Ryder's withdrawal. It had been the custom of the firm of Holt & Company to transmit the brands "from one firm to its successors as each change in partnership occurred as part of the good-will of the business" (fols. 21, 134). At the time of Ryder's withdrawal no papers were executed (fol. 26), the arrangements being matters of verbal agreement between the partners according to the custom of the house (fol. 26). The first step taken looking to the dissolution was the preparation of a trial balance and appraisement of assets which did not include the brands. It is not in evidence, but it is deducible from the testimony that the partners who were to continue the business believed that it was understood that the brands were not to be divided. It would seem, however, that no mention was made of them until the last business day of Ryder's connection with the firm (fol. 68), when Mr. Holt, the senior member, having heard that Ryder had taken impressions of the brands (fol.

44), brought about a conference with him and the other partner, Mr. Searls. As to what was said at this conference there is a difference of opinion. It is made clear that an interview took place, at which complainants contend all the brands were made the subject of an agreement, while the defendants, speaking through Ryder, say that when he "left the firm of Holt & Company" he did not intend to surrender any right except to the brand "Potomac."

Complainants say that he surrendered his right to all the brands of the firm; defendants that he surrendered only his right to the brand "Potomac."

The above we think is a fair statement of facts deducible from the evidence. Mr. Holt says that he brought about the conference, and referred to the fact that Ryder had taken impressions of the brands. Ryder admits that he took impressions of the brands, including the brand "Potomac," and also that Mr. Holt may have sent for him just before he left the firm and referred to the fact that the impressions had been taken. There are statements by Ryder which do not negative the assumption that his relinquishment of the brand "Potomac" took place at some other time, but he says directly that he "cannot remember how long before leaving the firm" it was; he certainly says nothing that meets the direct and positive statement of Mr. Holt.

We submit that it is clearly established that a conference took place just before the dissolution, which was caused by the remaining partners learning that Ryder had taken copies of the brands; that at that conversation there was an understanding by which Ryder surrendered something, and that the question for the Court is whether he surrendered his right to the brand

"Potomac" only, or to all the brands of which he had taken copies.

The proof that Ryder relinquished his right to use the brand in question, together with the other brands, consists of the direct testimony of Mr. Holt, corroborated by that of Mr. Busby, Ryder's admissions and the circumstances of the case.

Mr. Holt's testimony on the subject is as follows:

"Q. At the time or about the time that S. Oscar Ryder retired from the firm of Holt & Company, did any conversation with him take place at which you were present, having relation to the brands of the firm of Holt & Company. If you answer affirmatively, please give the conversation as fully as you can?

"A. I can give the purport, but not the exact terms.

"Q. Please do so?

"A. I requested Mr. Ryder to wait in the office as I wished to speak to him in the presence of Mr. Searls [the other partner]. I then referred to his having on the evening previous caused impressions to be taken for him of the various brands employed by Holt & Company, protesting that he should not make use of them, as by his own theory, when he supposed that Mr. Searls was to leave the firm instead of himself, the brands remained the property of the firm succeeding the former firm. After some opposition Mr. Ryder promised us both not to use any of such brands, excepting one or more which he had originated for a relative whose trade would doubtless follow him and which we gave him (folio 44).

Mr. Busby, one of the complainants, says he was in the employ of Holt & Company at the time of Ryder's withdrawal from the firm, and that he and Ryder at

that time were "intimate friends." His testimony, which supports Mr. Holt's, is as follows:

"Q. Have you any recollection of a conversation taking place with him (Ryder) at the time of his withdrawal from the firm of Holt & Company, concerning a conversation that he had with Mr. Holt about the brands of the firm; if you say you have, please give the conversation as far as you are able to?

"A. I remember such a conversation occurring directly after his interview with Mr. Holt (fol. 57). Which conversation took place on 'the last business day of his (Ryder's) connection with Holt & Company' (fol. 68).

"Q. You know he (Ryder) had a conversation with Mr. Holt?

"A. I do.

"Q. Who was present at this conversation, if you know?

"A. Mr. Holt, Mr. Searls and Mr. Ryder.

"Q. Now please proceed with your answer?

"A. Mr. Ryder came to me at my desk, immediately after the interview, and stated: I have had to give in. I have had a good talking to, and have promised never to use any of Holt & Company's brands.

"Q. Are you able to be positive about any of the words used by him at the conversation referred to in your last answer?

"A. To the best of my remembrance, those were his exact words.

"Q. Do you remember any incident connected with the conversation that you can mention?

"A. I remember his clapping me on the back and laughing.

"Q. Did this conversation take place immediately after he came out of Mr. Holt's office?

"A. It did" (fol. 57).

The testimony of Mr. Holt and Mr. Busby constitutes our direct proof of the conference and agreement whereby Ryder's claim was extinguished.

An attempt is made to contradict both of these witnesses by calling Ryder, but the whole of his evidence does not, we think, amount to a distinct and satisfactory denial. Upon his examination in chief, he is asked:

"Did you ever promise Mr. Holt or anybody else that you would not use 'La Selecta,' 'La Favorita,' or other brands that had been used by the old firm?

"A. Before leaving the firm, I told Mr. Holt that I would not use the brand 'Potomac,' but the other brands not. I did not promise him that I would not use *them;* he did not ask it. I did it voluntarily" (fol. 110).

He says that his promise did not include "the other brands," and in the next breath "I did not promise that I would not use *them.* He did not ask it. *I did it voluntarily.*" There is no doubt that he used the word "them" in this answer and that he made the same statement on cross-examination.

After saying in substance that everything but the brands had been appraised, he is asked: "Why, then, were they not made specifically the subject of appraisement?" To this he answers: "Because I gave up all right, title and interest to *those valuable brands,* out of friendship, so there was no occasion for it."

"Q. Was there not then a reason at the time you left the firm why there should be an appraisement?

"A. By all means.

"Q. Then how do you account for the fact that *they were* not made the subject of appraisement?

"A. I suppose because I gave up *these valuable brands* which I considered worth $8,000."

Complainants' evidence is clear, direct and positive that the surrender was made; the denial, if there be one, is of such an uncertain character that it can have but little weight.

The number of brands used by Holt & Company was large; some of them had been in use for many years, The most important at the time Ryder left the firm were, to give them in the order in which he named them, "Potomac," "La Favorita," "Montrose Family," "Aurora," "La Selecta." These he named as the only brands that had been used by the firm, although, as in numerous other instances, his slumbering mind was pricked into a recollection of several others when they were pressed upon him on his cross-examination. If it appears, therefore, that the understanding which occurred the day before the dissolution, included any of these brands other than the brand "Potomac," it is demonstrated that the defendant's story is not the true one, and Mr. Holt's unqualified statement must be given its natural and logical effect.

We think we have been able to demonstrate that the brand "La Selecta" was one of those surrendered; if it was, the agreement covered the whole list.

The relinquishment of "La Selecta" and all the other brands is shown by the proceedings before the Produce Exchange.

It is made clear that Ryder admitted before the Exchange, and, also, we think, that the Board of Managers found, that he gave up his right to all the brands at the time he left the firm.

Mr. Busby, one of the complainants, testified as follows:

"21 Q. Were you present during the proceedings before the Complaint Committee of the Produce Exchange when he (Ryder) was on trial for using the brand 'La Selecta'?

"A. I was; expecting to be a witness.

"22 Q. Please state what, if anything, you heard him say there, concerning the brands of Holt & Company?

"A. He repeated the statement before the Complaint Committee, that he had promised not to use any brands belonging to Holt & Company, at the time of his withdrawal from the firm.

"23 Q. You heard him make that statement?

"A. I did.

"24 Q. You are positive about it?

"A. I am, for the reason that I expected to testify to the same fact, and his statement made mine unnecessary.

"25 Q. Then you did not testify to the fact?

"A. I did not" (fol. 58).

It will be observed that Mr. Busby does not swear to a naked unsupported fact; he gives a reason why he can be positive and one that cannot fail to add to the strength of his testimony. He went before the committee expecting to be called to prove a particular

fact; he knows he was not called because Ryder's admission rendered his testimony unnecessary.

In this connection it is important to consider the nature of Ryder's defense before the Exchange. The following is from his cross-examination:

"Q. What was your defense before the Complaint Committee of the Produce Exchange when Holt & Company preferred their complaint against you for using the brand 'La Selecta'?

"A. Do not remember that even.

"Q. You do not remember what your defense was before the Complaint Committee?

"A. I think it was that the brand did not belong to Holt & Company.

"Q. And that it belonged to an estate from whom you purchased it?

"A. Yes.

"Q. And that was the only defense, was it not?

"A. Yes."

Mr. Holt's testimony is as follows:

"Q. Please let us have your recollection of what the defense (of Ryder) was before the Complaint Committee?

"A. That although among the brands which they had promised not to use, our firm had really no title to it, as they claimed it to belong to the estate of a deceased customer, from whose executor they had recently purchased the brand.

"Q. They justified their use of the brand, then, because they claimed to have purchashed it from the estate of a deceased customer?

"A. They did.

"Q. Was there any other defense?

"A. There was not.

"Q. You are positive about this?

"A. Quite so. The production of the bill of sale of the brand seeming to the committee to terminate the case" (fol. 43).

* * * * * *

"Q. Please say, if you know, whether the defense was the same before the Board of Managers that it was before the Complaint Committee?

"A. I think it was, resting wholly upon the alleged title by purchase" (*Ib.*).

There can be no doubt that the only defense made by Ryder when he was charged with the infringement of the rights of Holt & Company by using the brand "La Selecta" was that he acquired such right by purchasing the title of a third party. It did not enter his mind to say that he had any right by virtue of his having been a partner.

That he admitted before the Exchange that he relinquished his right to the brands of the firm is, also, shown by the findings (Defendants' Exhibit D, fol. 93).

A part of the second finding is in these words:

"In view of the fact that it was known to Rowland & Ryder that Holt & Company claimed to be the owners of the brand of flour 'La Selecta,' and of *the circumstances occurring at the time Mr. Ryder left Holt & Co.* * * * Holt & Company have just cause of complaint." *Ib.*

This is followed in the report of the proceedings by a recital of the purchase by Ryder of an "alleged right" of a third party "to use said brand," and by a sugges-

tion that the matter be referred to an arbitrator. Holt & Company thereupon took the case to the appellate tribunal of the Exchange where it was *unanimously* decided that "the proceedings of Messrs. Rowland & Ryder in the case complained of by Holt & Company 'were' *inconsistent with those just and equitable principles of trade* which ought to govern the transactions of the merchants of the Produce Exchange with each other."

The plain deduction is that the Board of Managers, which was composed in part of the Complaint Committee (fol. 96), believed that Ryder had been guilty of a very gross breach of propriety. The implication is that his conduct admitted of no justification. If the question had been simply whether Ryder or Holt & Company had the better title, the decision must necessarily have been of a different character. Under such circumstances there would have been no foundation for a finding, the logical end of which was expulsion from the Exchange.

It must be reasoned that the Board of Managers believed that Ryder's conduct involved unmistakable moral turpitude, and that, as Mr. Holt and Mr. Busby have sworn, he admitted that at the time he left the firm of Holt & Company he agreed not to use the brands of the firm. The violation of this agreement was what was adjudged to be "inconsistent with just and equitable principles of trade." Unless this was the decision the proceedings before the Exchange are meaningless and illogical.

We submit that the decision is tantamount to an adjudication in complainants' favor. It certainly

removes any imputation of acquiescence at a time when acquiescence would have been of real significance. The action against the infringement was taken immediately; the day after the first offense was discovered the complainants commenced proceedings and pressed them with unmistakable zeal.

If the decision of the Exchange is not to be regarded as an adjudication, it plainly has the quality of an an arbitration, and as between the parties out to be conclusive.

Perhaps the most significant piece of evidence connected with the conference at which we contend it was agreed that the brands should be used only by the old firm is one about which there is no difference.

Mr. Holt says he "referred to his (Ryder's) having on the evening previous caused impressions to be taken for him of the various brands employed by Holt & Company" (fol. 44). Ryder admits, without reservation, that he took impressions of all the brands of Holt & Company, including "Potomac" (fol. 137), and also in substance that the conversation may have taken place. He is asked:

"Q. Is it not true that Mr. Holt sent for you and said to you that you had made copies of the brands; do you remember anything of that kind?

"A. No; I do not.

"Q. Do you remember Mr. Holt sending for you just before you left the firm and referring to your having taken impressions of the brands?

"A. I do not.

"Q. You will not say that he did not?

"A. I will not.

"Q. He may have done so?

"A. He may have done so.

"Q. When you say, as you do in your cross-examination, 'I have doubts of anything that happened so long ago,' what do you mean?

"A. It was so long ago that I do not remember distinctly everything" (fol. 138).

It will be seen that there is a substantial concurrence that there was a conference at which all the brands of which Ryder had taken impressions were referred to. Among these brands was that which is here involved, "La Favorita" as well as "La Selecta," "Potomac," and the rest. It being established that the conference was caused by the taking of these impressions it is a fair and reasonable conclusion that the impressions, that is to say, the brands, were the subject of the agreement which was made. In other words, Mr. Holt discovered that Ryder had taken impressions of all the brands, and all the brands were referred to by him and the right to use them settled.

We submit that the significance of this circumstance would be great even if it depended upon inference; when supported by direct testimony it falls little short of a demonstration.

Another circumstance tending to show that Ryder relinquished his claim to the brands of the firm is that his first use of the brand "La Selecta," which led to his trial and conviction before the Produce Exchange, was made under circumstances which indicated that he did not believe that he had a right to it. It appears that his first shipment of La Selecta after leaving the firm was made at an unusual hour under suspicious circum-

stances and that the fact of the shipment having been made only came to the knowledge of Holt & Company by accident (fols. 47, 75).

The circumstance is not one of very great importance except that it points in the same direction as the other circumstances of the case.

Ryder says that he has no recollection whatever of Mr. Holt and Mr. Searls assenting to his using any of the old brands, but the books of Holt & Company show that all the brands used in 1869 have been continuously used by the firm with the single exception of the brand "Aurora," the line of use of which breaks with Ryder's withdrawal.

The testimony of Ryder is so full of inconsistencies that the only course is to exclude it all. He contradicts himself in the same breath, and when one part of his deposition is compared with the other the most painful inconsistencies are detected.

His whole deposition is open to the gravest objections. Not only does he contradict himself repeatedly, but the conclusion is irresistible that a capacity to recall the events of "years ago" no longer exists. At times, perhaps, what he calls "a slight remembrance of years ago" returns to him, but it is not possible to distinguish what, if anything, he has sworn to is better than mere conjecture.

The opening of his deposition indicates the quality of all he says:

"Q. When you went into the firm, what trade-mark or brands of flour were owned by the firm?

A. I do not remember.

Q. Was any conveyance made by the old firm to the new firm of any trade-marks or brands that you recollect of?

A. None that I know of.

Q. When was the trade-mark or brand 'La Favorita originated?

A. I do not know.

Q. When did your firm first use it?

A. I don't know; I do not know.

Q. Did Mr. Holt originate it?

A. I don't know that.

Q. Was it ever used as a brand before you went into the firm?

A. I think not" (fol. 109).

In one connection he says: "*I have doubts of anything that happened so long ago.*" Asked whether he furnished the information upon which the answer was prepared his reply is: "*I do not remember.*" In another connection he says: "*It was so long ago that I do not remember distinctly anything.*" Asked what his defense was before the Produce Exchange, he says: "*I do not remember that even;*" and elsewhere, as if to cap the climax: "*I might have done anything.*"

Certainly counsel will not ask the Court to make testimony of this character the foundation for a decree.

There is nothing else in the case which tends to in any degree negative our proofs that Ryder's claim to the brand "La Favorita" was surrendered before the dissolution of the firm. We submit that the fact that he did so is established beyond any reasonable doubt.

On the day following that on which the conference took place a circular was issued which contained the

announcement of the dissolution of the old firm, the formation of the firm of Rowland & Ryder, and an announcement of the continuation of the old business. The last-mentioned announcement was in these words:

"The undersigned, having formed a new copartnership, will *settle all outstanding business of the late firm of Holt & Company, and will continue the business under the same firm name at No. 57 Water street.*"

This circular was issued and signed by Ryder as well as the partners whom he had met on the preceding day. The plain intendment of all concerned was that the old business of Holt & Company should run on as it had run undisturbed for upward of a quarter of a century. The purpose was that their clerk, who had been promoted to be a partner, should withdraw, leaving the affairs of the firm to proceed in the well-worn channel.

The use of the brand "La Favorita" with the others was an essential incident. To scatter the individuality of the brands was to unseat the whole business, to relegate the firm to the pursuit of new enterprises, with all the difficulties before it that a new embarkation entailed. Plainly, this was not contemplated. The object was to let the junior partner out without affecting the past. All that is now urged to support his right is an afterthought, born of an unworthy object. We submit that when Ryder issued the circular in which it is announced, in substance, that the old business of Holt & Company would continue as it had continued, to his knowledge, for many years of honorable success, and that a new business would be set in motion by him and his new partner, he said: "I have no part in that

past; it does not belong to me; it is all theirs; I have left it."

This is the plain purpose of the circular; and in a court of equity that purpose will be effectuated.

We think there can be no reason for disturbing the finding of the Court below.

Office Supreme Court U. S.
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Supreme Court of the United States,

OCTOBER TERM, 1888.

ALFRED V. RYDER,

Appellant,

vs. **No. 76.**

ROBERT S. HOLT et al.,

Appellees.

JOSE MENENDEZ et al.,

Appellants,

vs. **No. 77.**

ROBERT S. HOLT et al.,

Appellees.

APPEAL FROM THE CIRCUIT COURT OF THE UNITED STATES, FOR THE SOUTHERN DISTRICT OF NEW YORK.

SUPPLEMENTAL BRIEF FOR APPELLEES.

BURGOYNE QUICK PRINTING CO., COR. WALKER AND CENTRE STS., N. Y.

Supreme Court of the United States,

OCTOBER TERM, 1888.

ALFRED V. RYDER, Appellant, vs. ROBERT S. HOLT ET AL., Appellees.	No. 76.
JOSE MENENDEZ ET AL., Appellants, vs. ROBERT S. HOLT ET AL., Appellees.	No. 77.

Supplemental Brief on the part of Appellees.

The following is respectfully submitted in answer to the brief in behalf of the appellants :

The issues raised by the pleadings are not, we think, correctly stated in the brief on behalf of the

appellants. The answer was intended to raise and did raise only a question of title. It begins with the denial that complainants "are legally seized or are the owners of THE TRADE-MARK 'LA FAVORITA.'" After admitting the existence of "the trade-mark La Favorita," the answer proceeds to say that one Ryder was "one of the originators of the said trade-mark 'La Favorita,' and has always and does now own and use the same as a proprietor, and has continually used the same since the year 1868; that said Ryder has at all times used the said trade-mark with great care, and that it signifies a flour selected, packed and prepared by him" (fol. 14), and that the flour sold by the defendants has been "always sold as the special selection of said Ryder" (fol. 15). There is a statement that many other dealers have for many years used the said name "La Favorita" as a brand for flour, which fact was well known, it is said, to complainants, and without objection by them. But there is no suggestion that this use was anything except an infringement or piracy of the complainants' brand. There is no allegation that it stood in the way of the suit.

That Ryder relinquished his right upon his withdrawal from the firm is, we think, demonstrated by our principal brief. The fact is emphasized on the brief for the appellants that after his withdrawal the form of agreement upon the termination of the partnership of Holt & Co. was changed. The old forms contained no reference to the good-will. After Ryder's withdrawal, the good-will was specifically mentioned and Mr. Holt explains that this change was made "in consequence of the disagreement between my former

partners." The appellants' argument is that Ryder's interest in the good-will of the business of Holt & Co. was not extinguished at the time of his withdrawal and that, for this reason, he has a right to use the brands of the firm.

In absence of explanation this might be a fair deduction but, on the facts of the case, it is an impossible one.

The firm of Holt & Co. was organized in 1845, and before the time that Ryder became a member of it, its good-will had passed by common consent to each succeeding firm, the understanding being that it passed with the business of the firm. When Ryder withdrew, he surreptitiously obtained impressions of the brands and upon being taken to task expressly relinquished all claim to them.

> " That Holt & Company,' says the Court below,' desiring to retain the good-will of the firm unimpaired, should have permitted Ryder to despoil them of the distinguishing brands upon which their success largely depended, without a word of remonstrance, is hardly credible."

Everything in the case indicates that Ryder's interest in the brand was extinguished.

The brand originated by Mr. Holt.

The suggestion that the brand was originated by Ryder has no foundation. Mr. Holt says the name " originated with myself, and I devised and cut the stencil which was first employed in its use myself. Having some expertness it has been my custom from

boyhood to design and cut shipping marks and flour brands. The idea of using the brand La Favorita was entirely my own suggestion" (Record, page 13).

The proceedings before the Produce Exchange are probably the most significant fact connected with the case. They demonstrate that the conclusion of the Court below was right. Ryder began shortly after he left the firm to use one of the brands of Holt & Company. The moment the fact came to their knowledge they instituted proceedings against him in the Produce Exchange. The judgment of the Exchange was that Ryder's acts in using the brand of Holt & Company admitted of no justification (Record, 659, 660 and 661). The usual discipline was suspension or expulsion (fols. 47 *et seq.*), which would have resulted in the destruction of Ryder's character and business. The forebearance of Mr. Holt to ruin his former clerk is offered here, as it was in the Court below, as proof of laches and as a reason for the destruction of a very valuable brand.

The argument on behalf of the appellants is divided in to six points.

> *1st. Is the brand "La Favorita" as used by the complainants a trade-mark?*

The argument is that it is not, because it merely indicates quality. There is no doubt that where a name indicates grade or quality ONLY, its use cannot be monopolized. The rule is clearly stated in Manufacturing Company vs. Trainor, 101 U. S., 55 :

> "Letters or figures, say the Court, which *by the*

> *custom of traders, or the declaration of the manufacturer of the goods to which they are attached,* are ONLY USED to denote the quality, are incapable of exclusive appropriation, but are open to use by any one, *like the adjectives of the language.*"

There is scarcely the color of foundation for the suggestion that the designation "La Favorita" indicates "quality only." Uniformity of quality is a necessary incident of every successful product. There is nothing more essential to the success of a brand than that it shall be applied to goods which do not vary in excellence. Nothing beyond this is shown by the evidence in the present case.

This defense was not hinted at in the answer, which admitted, as has been pointed out, legality of "the TRADE-MARK LA FAVORITA." The evidence relating to it, however, shows that the word was not a word that signified quality. Mr. Busby, of the firm of Holt & Co., says: "The name was applied conscientiously to any flour that *our careful examination pronounced equal to the standard upon which we made the reputation of the brand*" (fol. 60).

He was then asked to mention a fine quality of flour and specified the "Miranda" brand, of which he says:

> "The Miranda flour is *whiter, less strong, milled in a different method* and of a DIFFERENT VALUE ON THE MARKET."

In other words, every application of the name "La Favorita," involved an exercise of judgment, as to the merchantable qualities, which were to be expected by

the purchaser, and every thing else that is involved in the use of a trade-mark.

2d. Are the complainants legal owners of the so-called brand "La Favorita."

This head of appellant's argument and the third, relate to the question of title, which has been fully discussed in our principal brief.

4th. If complainants own any trade-mark, what is that trade-mark, and has it been infringed?

The trade-mark is clearly defined in the certificate of registration, page 54, and consists of the words "La Favorita." The mere circumstance that the defendant has added his name is of no consequence. The rule as stated in the famous Amoskeag case:

> *"In an imitation of an original mark upon an article of goods of the same description, the name of the proprieter may be omitted—another name, that of the imitator himself, may be substituted, but if the device is copied, and so copied as to manifest a design of misleading the public, the omission or variation ought to be wholly disregarded."*
>
> 2 Sand. S. C., 599.

The doctrine is that a trade-mark which consists of a word is, in the language of the Court of Appeals of New York, a "short phrase between buyer and seller," which the owner alone is entitled to employ for commercial purposes.

> Hier vs. Abrahams, 82 N. Y., 519.
>
> Congress and Empire Spring Co. vs. High Rock Spring Co., 45 N. Y., 291.

In the case last mentioned the whole philosophy of the subject was stated by Judge FOLGER in these words:

> " By the application of capital, business sagacity " and enterprise, this spring and its product have " become extensively known and favorably re- " ceived. That product is sought after and re- " ceived by this name. It is not to trust to our " common apprehension of things to believe that " one who wishes for the medicinal water which " he has used before, or heard of as coming from " the Congress Spring at Saratoga, does not mean " that specific water *when he inquires for it by its* " *specific name. And it is this name, the trade-* " *mark of the plaintiffs,* WHICH IS THE SHORT " PHRASE BETWEEN BUYER AND SELLER, *which indi-* " *cates the wish to buy and the power to sell water* " FROM THAT ORIGIN, THAT PLACE, OF THAT OWNER- " SHIP. *This phrase, this device, is the trade-mark* " *of the plaintiffs,* and is of value to them, as thus " designating at once this, their own particular " article of sale, and guaranteeing the verity of its " origin. They have the right to be protected in " its exclusive use, for, under the facts as shown " by the complainant, none other can use it with " equal truth, and none other has equal right to " employ it for the same purpose " (45 N. Y., 300).

5th. In view of the laches of the complainants, they have no status in the Court of Equity.

It is admitted that the rule laid down in *McLean vs. Flemming,* which has leavened for great good the juris-

prudence of the United States, as far as it relates to the subject discussed in that case, supports the decision of the Court below. An attempt is now made to have this Court overrule McLean vs. Flemming on the ground that it is at variance with the maxim of equity, which imposes upon a suitor the duty of reasonable diligence.

Appellant's counsel have not directed the attention of the Court to any American case relating to trade-marks, which looks away from the doctrine of *McLean vs. Flemming.* He relies entirely upon the proposition that the general rule should not be departed from; we think reflection will make it plain that the rule of McLean vs. Flemming is absolutely essential to the promotion of the most important ends.

The piracy of a trade-mark is the piracy of a commercial signature; to all intents and purposes, the name of a person who uses it. In this instance the case is in every way the same, in contemplation of law, as if the defendants had applied to their goods the name of Holt & Co. It is as if they had put upon their flour the words and letters "HOLT & COMPANY," without any mark to indicate that it was not the product of that firm. And the appellant's proposition, when stripped of its disguises, is that, if the complainants had tolerated this act, the doctrine of *laches* would exclude them from a court of equity. Such a conclusion is, we submit, manifestly impossible.

In the leading American case of *Amoskeag Co. vs. Spier, supra,* it appeared that the plaintiffs had, as here, omitted to take steps to enforce their right until

the infringement had become a source of embarrassment.

Judge DYER said :

> " *I am satisfied that the doctrine of an acquiescence operating as an absolute surrender of an exclusive right, is applicable to the case- The consent of a manufacturer to the use or imitation of his trade-mark by another may, perhaps, be justly inferred from his knowledge and silence, but such consent, whether expressed or implied, may certainly be withdrawn, and when implied, it is in reality no more than a revocable license.*"

This is exactly the doctrine on which McLean vs. Flemming is based, and which is directly approved and built upon in numerous other cases.

The comments of counsel for the appellants upon the cases cited in McLean vs. Fleming are unfortunate.

In Consolidated Fruit Jar Co. vs. Thomas, Cox's Manual, Case No. 665, the Court said :

> " There has been large discussion of the question
> " how far laches in stopping the infringement of a
> " trade-mark will deprive a complainant of the
> " benefits of a preliminary injunction, but that dis-
> " cussion has been put to rest, so far as this Court
> " is concerned, by the recent decision of the Su-
> " preme Court in the case of McLean vs. Fleming,
> " where it was held that acquiescence of long
> " standing was no bar to an injunction, although
> " it precluded the party acquiescing from any right
> " to an account for past profits.

> " This was only anticipating the later decision
> " of the High Court of Justice in England in the
> " case of Fullwood vs. Fullwood, 9 L. R., Ch. D.,
> " 176, where the single question involved was the
> " effect of delay in prosecuting the infringement
> " of the trade-mark. * * * The injunction
> " was treated as always a matter of course if it
> " appeared that the legal right existed."

The case of Rogers vs. Rogers, 31 L. T., 285, and Blackwell vs. Crabb, 35 L. J., Part 1, 505, are of earlier date than Fullwood vs. Fullwood. Appellant's counsel is right in saying that in both of these cases the injunction was refused, but, as he was criticizing their citation by this Court, he ought to have said more.

In Rogers vs. Rogers, the Court took pains to point out that mere delay is not a good defense. Mr. Justice MELLISH said :

> " I do not think that as matter of law the mere
> " fact that if the defendant's mark has been used for
> " a great number of years necessarily affords a de-
> " fense. If it was clearly made out that it was
> " originally used for the purpose of fraud that it
> " was continued for the purpose of fraud, and that
> " it has the practical effect of deceiving the pub-
> " lic, I do not think that lapse of years would pre-
> " vent the plaintiff having a remedy."

Blackwell vs. Crabb was decided chiefly on the ground that there was no infringement, the labels being held to be so dissimilar in appearance that there was no probability of mistake. In Taylor vs. Harrison the injunction was granted.

It is suggested on the part of the appellants that the defendant Menendez never had any notice of protest. Obviously the real defendant here is Ryder, against whose use of the trade-mark there was the protest in the form of the proceedings before the Produce Exchange and protests of later date.

What we understand to be the rule is clearly stated in Sanders vs. Jacob, Price & Steuart Trade-mark Cases, page 1051:

> "The question of laches would be a serious "one," say the Court, "if there were no element "of fraud in the case on the part of the defend- "ant. If the defendant had adopted this trade- "name innocently and had gone on honestly "practicing his trade under that name without "objection 'on the part of the plaintiff,' we would "decline to assist the plaintiff at this 'late date,' "but where the element of fraud supervenes, lapse "of time does not purge the defendant's conduct "of this taint. The wrong is a continuing one; "the injury done to the plaintiff and the decep- "tion practiced upon the public both of which the "law takes into consideration in these cases "accumulate. Then if the defendant at a recent "period of time aggravates the wrong, * * * "it makes, we think, a plain case for equitable "interposition."

There is no doubt about the element of fraud in this case. The fact that Ryder surreptitiously took impressions of the brands (fols. 44, 57), his surreptitious use of the brands of the old firm (*Ib.*, 75); his

use of new brands in competition with those of Holt & Co. (*Ib.*, 76); the complaint before the Complaint Committee and Ryder's omission to attempt to justify his act (*Ib.*, 95, 58); the finding of the Board of Managers with Ryder's statement that he had been persecuted by Holt & Company and intended to retaliate (*Ib.*, 67), leave no room for doubt about the fraudulent character of his acts.

It was said by Judge SAWYER in a recent case, Benkert vs. Feder, 34 Fed. Rep., 535:

> "One who deliberately and knowingly uses "another's trade-mark commits A PALPABLE "AND UNMITIGATED FRAUD, FOR WHICH "THERE IS NO POSSIBLE EXCUSE. He "seeks to avail himself of the good reputa- "tion of another's goods, and puts his own "goods—usually, if not always, of an inferior "quality—upon the market, thereby not only "fraudulently cutting off the market from the "party who has by years of labor, and at great "expense, established a reputation for his wares, "but, in addition to this injury, destroys or "injures largely that reputation which is the "foundation of the owner's business.

The infringement of a trade-mark is in principle nothing but forgery. The mark which is called a man's signature signalizes his individuality and is protected for that reason. If I tolerate the forgery of my name, no matter how long, the last forgery is as much a crime as the first.

The same is true of the forgery of a trade-mark. There

can be no destruction of the legal right by the mere forbearance to prosecute.

Here, to use the word-symbol "LA FAVORITA," is to use a symbol which is the same as the name "HOLT & COMPANY;" to mark a barrel of flour "LA FAVORITA" is to mark it "HOLT & COMPANY"—it is the same as a forgery of their name.

It is impossible to say that the piracy of Ryder, of uncertain beginning and duration and of insignificant extent (fols. 141, 134, *et seq.*, 124, 140), has displaced and destroyed the complainant's commercial reputation.

We submit that the doctrine of McLean vs. Fleming is rooted in the safest and most necessary principle, and that it will not be disturbed.

Case No. 76. The agreement upon which the decree was entered in No. 76 is valid.

The presumptions are that the Court below had jurisdiction.

It is shown that the mark is used in foreign commerce (fol. 167). The facts bring the case distinctly within the rule laid down in Glen Cove Man. Co. vs. Ludeling, 22 Fed. Rep., 823.

Respectfully submitted,

ROWLAND COX,

Of Counsel for Appellees.